

# CURRENT *History*

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OF WORLD AFFAIRS

MAY 1966

## WEST GERMANY, 1966

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# CURRENT *History*

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# CURRENT History

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*In this issue, seven articles on the political, economic and cultural factors at work in today's Germany offer Current History readers new perspective on that complex nation and on the men who lead it. Writing of one such man, our introductory author says, "As any initial catalog of Germany's present problems indicates, Erhard in the 1960's, like Bismarck in the 1860's, will certainly have many opportunities to lose his job and his reputation. In fact, both are at stake now, unless Erhard can get Germany moving in foreign affairs, on reunification and toward better internal organization."*

## Ludwig Erhard: Another Bismarck?

By HANS A. SCHMITT  
*Professor of History, Tulane University*

THE GERMANY of the Weimar Republic, founded in November of 1918, encompassed close to 190,000 square miles of land and commanded the uncertain allegiance of 63 million citizens. Its press and radio never allowed these citizens to forget that the country's greatest cross *then* was overpopulation. To the average German who was facing the perpetual uncertainties of industrial society, then far more ominous and mysterious than today, this simple, soothing explanation of the difficulties was meant to suffice and did. The journalists, propagandists and teachers who purveyed this comforting indictment of their world believed their own diagnosis. Statistics supported them: Except for Great Britain, Belgium and Monaco, Germany had more inhabitants per square mile than any European country, and the first two of the exceptions had colonies.

In retrospect, the case appears more complex. While one-sixth of Germany's labor force was on relief at the height of the postwar

depression, and much of the rest underemployed, Belgium suffered even more grievously and its possession of the Congo quite obviously did not compensate for a perpetually overproducing economy. While Germany climbed to the ridges of prosperity at least briefly between 1924 and 1929, the Britain of Stanley Baldwin and Ramsey MacDonald, with its standing army of one and one-half million men on the dole, never managed even that much.

Had the prophets of doom and dissatisfaction of the 1920's and 1930's been correct, the present German fragment in the West—less than half the area of prewar Germany but with a population of 55 million—could never support twice as many people per square mile as in the days of the Weimar Republic. Nor could its citizens live in far better style, after a defeat of unprecedented dimensions, than did their grandfathers under Otto von Bismarck or their fathers under Adolf Hitler. In short, a veritable *miracle* has come to pass,

of which the media of mass communication throughout Germany, Europe and the world have not wearied of talking for more than fifteen years.

The statistics of today's good tidings are indeed incredible: No unemployment, but rather a shortage of labor that has become a serious threat to industrial growth. In 1965, skilled trades were calling for 645,000 apprentices. They found 380,000. The western half of Germany is the second largest industrial producer in the world and, in many sectors, our globe's largest exporter of finished products.

The visual impact of this prosperity is even more overwhelming, particularly to the observer who is old enough to be able to compare Weimar, Nazi, postwar, and now *Wirtschaftswunder*-Germany. The country that gave the world the Volkswagen now appears to be shifting to the gleaming Mercedes-Benz.<sup>1</sup> The highways are a shambles, not built for the day—fast approaching—when every German family would own a car. Road and street construction has become the major occupation of every hamlet and metropolis.

There are a host of other fantastic and unprecedented symptoms of prosperity. After the automobile what next? A beach bungalow on Spain's Costa Brava? A lot in Florida? A summer vacation in Brazil? These are among the delights advertised regularly in the major newspapers of Western Germany. Retailers grossed 20 billion DM (*deutsche marks*) during the Christmas rush of 1965. Furriers, jewelers and automobile dealers were selling gift-wrapped minks, diamond bracelets and limousines as if "the end of the world or at any rate the mark . . . were in the offing."<sup>2</sup> After this orgy of giving and receiving had become history, there was still enough left to blow 60 million marks worth of rockets

and fire crackers into the air on New Year's Eve.<sup>3</sup>

However, underneath all the layers of fat, fur, and cosmetics, the Germans do share other concerns beyond the precariousness of their present luxury. (How much justification there is to the fear that the "economic miracle" is about to fizzle, this writer shall leave to another author.) The German also wonders whether twenty years of monotonously regular federal election victories by the same party are a sign of stability or of stagnation. He has become more sensitive about the implications of German partition. The former German territories lost to Poland, the U.S.S.R. and Czechoslovakia produce in his heart an anxious state of indecision. Should they be abandoned forthwith, thus depriving the Federal Republic (West Germany) of an important card in future bargaining sessions with the Soviet Union and its satellites?

Related to these intimate and painful aspects of the German problem is the question of the kind of alliances and alignments the government should seek and maintain. Is the friendship of the United States the only prize to be coveted? Or is this dependence the surest path to Germany's isolation in Europe and the perpetuation of her political division? Finally, there are problems of internal reorganization, more technical than spectacular, but productive of bitter collisions with local interests and therefore politically too risky to be faced lightly by any leadership.

## POLITICAL TRENDS

Confronted by this barrage of brain-twisting questions, the Germans on September 19, 1965, seem to have chosen the easiest way by opting for four more years of Christian-Democratic tutelage. Actually, however, the returns do not indicate such a simple conclusion (see table).

In general, the concentration of more and more votes on fewer and fewer parties has continued. The splinter vote of 5.3 per cent in 1961 shrank to 3.8 in 1965. Even at the top there was a growing gap between the two front-runners and the declining old-liberal F.D.P. (Free Democratic Party). The

<sup>1</sup> The word "appears" is used advisedly, for the production figures for 1965 show Volkswagen safely in the lead with 1,363,000 units, before Opel (G.M.) with 616,000, Ford, 316,000, and Mercedes Benz, a rather precarious last in the top group, with 174,000.

<sup>2</sup> From *Der Spiegel* (Hamburg), December 22, 1965.

<sup>3</sup> According to the *Frankfurter Allgemeine Zeitung*, January 3, 1966.



## GERMAN PARLIAMENTARY ELECTION RETURNS FOR 1961 AND 1965

Party	Vote (in thousands)		Percentage of votes		Seats in parliament	
	1961	1965	1961	1965	1961	1965
C.D.U.	14,178	15,393	45.3	47.6	242	245
S.P.D.	11,335	12,712	36.2	39.2	190	202
F.D.P.	3,994	3,063	12.8	9.5	67	49

C.D.U. (Christian Democratic Union) vote increased by about 8.5 per cent, that of the S.P.D. (Social Democratic Party) by almost 12 per cent, while the F.D.P. lost close to one-fourth of its strength. The C.D.U. also won the first contest under Erhard, but its margin of victory continues to shrink. Conversely, the S.P.D. continues to gain. Its position as the largest democratic socialist party next to Britain's Labour Party has been further solidified. In the century of its existence it has never obtained more votes or more seats in parliament than in 1965. It continues to dominate in Berlin, Hamburg, Bremen, and Hesse. It is catching up to the C.D.U. in such solidly Catholic areas as North Rhine-Westphalia, where the government party lost votes, and in the Saar where the C.D.U. lost 5 per cent of its previous balloting strength, while the Socialists added almost 20 per cent to theirs.<sup>4</sup>

The resulting political portrait of the Federal Republic is at best opaque. The 1965 elections brought no joy to Willy Brandt's party headquarters, because what the S.P.D. had gained under his aegis had not been enough for victory. On November 29, 1965, furthermore, Rudolf Augstein, the redoubtable editor of *Der Spiegel*, took a thoughtful and concerned inventory of the Socialist opposition and wondered whether it still deserved the name after having, in his opinion, decided to offer what the C.D.U. was offering, only more of it. If the opposition was abandoning its role, Augstein argued, then the fragile democratic system was in great danger, for, as he warned, "the authority of the government in Bonn is disintegrating

ominously and palpably. It seems criminal to draw the opposition into this decline."<sup>5</sup> An American observer will question the dogmatic assertion that the party out of office must offer a different program as well as a different set of men, but if the S.P.D. should decide *now* to imitate a party which is the backbone of a government that is losing public confidence, then its opportunism might well turn out to be disastrously ill-timed.

Is the authority of the Bonn government disintegrating? This is very much like asking whether Ludwig Erhard is in charge as Konrad Adenauer was. This recalls situations and calls for comparisons of which the Germans should at last have had enough. In 1890, a well-meaning, experienced administrator, General Leo von Caprivi, assumed the impossible task of replacing Bismarck. He was willing and able to lead Germany with intelligence and moderation. But unaccustomed as he was to political office and the ruthless infighting prevalent under the erratic William II, he could not hold his job long enough to give his country the benefit of his wisdom. Will Erhard meet the same fate? He is more versed in the ways of political wrestling, but whether his rivals and opponents will allow him to do the job he could do appears doubtful. Still, the Caprivi-Erhard parallel is not the only appropriate evocation of a familiar German tragedy. In 1932, the Germans elected Paul von Hindenburg, a military man infinitely less of a statesman than Caprivi, for a second term as president of the Weimar Republic, although he was 86 years old and would have had to serve until the improbable age of 93. The only alternatives to this dismal choice were Hitler or Ernest Thaelmann, the leader of the Communist Party. The Bonn Republic presents

<sup>4</sup> The figures are from *Archiv der Gegenwart*, XXV, No. 38 (1965), p. 12069.

<sup>5</sup> See "Ist die S.P.D. (noch) zu retten?", Supplement to *Der Spiegel*, December 22, 1965.

its public with more palatable alternatives, but the spectacle of a nonagenarian (Adenauer) reluctantly retiring to make room for a successor (Erhard), who is less than two years from his seventieth birthday, is not without the flavor of a theater of the absurd and perhaps confirms Augstein's apprehensions about the delicate health of Western Germany's present political order.

An inventory of the present situation indicates that Adenauer left the chancellorship in bad grace and in the hands of a successor in whom he had tactlessly admitted having no confidence. As soon as he announced that he was also stepping down from the party chairmanship, candidates began to emerge like toadstools after a heavy rain. But in most cases the longevity of their candidacy equalled the life expectancy of that unsightly and unpalatable plant. Adenauer's own favorite, Minister of the Interior Paul Lücke, suddenly decided that he was not available. Everybody else's favorite, Joseph H. Dufhüs,<sup>6</sup> a 57-year-old lawyer from Bochum, remembered that he had an ailing wife and that he himself was not feeling well enough to succeed a man more than old enough to be his father. This left Ludwig Erhard, who neither wanted nor needed the job, and of whom it could be said that, if many were sceptical of his capability as a leader of the government, almost everyone wondered as to his ability to head the government and party simultaneously. At the last minute, Rainer Barzel, C.D.U. party whip in the Bundestag and, at 42, the bright young man of the Federal Republic, entered the lists.

This stirred Erhard and, in mid-March, 1966, he led the leaders of the C.D.U. to name the slate which was finally chosen: Erhard for chairman and Barzel as deputy.

<sup>6</sup> This included the usually reliable and well-informed *Die Weltwoche* (Zürich), whose Peter Merten in his "Joseph H. Dufhüs: im Vorhof der Macht." January 14, 1966, was caught off base as the *Chicago Tribune* had been about Thomas E. Dewey in 1948.

<sup>7</sup> The two parties together received 57.1 per cent of the popular vote, and hold 294 of the 496 seats in the Bundestag.

<sup>8</sup> Quoted in *Der Spiegel*, January 10, 1966.

<sup>9</sup> Not only in Germany. See Klaus Emmerich, in *Die Presse* (Vienna), January 17, 1966.

Will this mean that this dexterous, swarthy young lawyer will in a few years become the youngest incumbent of the chancellorship since Adolf Hitler? If so, the present crisis may be weathered, especially if his elevation is accompanied by a thorough changing of the guard, from the prewar to the postwar generation, without a drastic change in regime.

### ERHARD'S TASKS

Meanwhile, however, daydreaming of the future must halt before the fact of the present—a basically able chancellor, tried as an economic planner, but whom no one quite trusts to lead the country. The election has far from solidified his position. If the Socialists were downcast by the election results, so were some Christian Democrats, particularly the Republic's President Heinrich Lübke who confided to a Swiss journalist late in 1965 that he doubted Germany's ability to overcome the critical problems of the immediate future without taking the Social Democrats into the government. Erhard was quick to set the record straight. "I stand here," he told the president in a reputedly extemporaneous New Year's reception speech,

"as the chancellor of the small coalition [i.e. C.D.U.—F.D.P.], with a clear mandate from the German voters.<sup>7</sup> I cannot permit the creation of a public impression as if this coalition had already collapsed and that it was therefore desirable to replace it."<sup>8</sup>

Many observers have nevertheless opined that the "small coalition" is collapsing,<sup>9</sup> but they also see that future German chancellors are not in abundant supply. Thus Erhard appears surrounded by lukewarm and doubting supporters, faced by a diffident opposition, and strapped into two jobs—jobs for which he has no serious rivals. Perhaps we have read the signs wrong: When Bismarck became Prussian minister-president in 1862, everybody saw him as the king's chosen victim to tide the monarchy through a crisis; and the number of "insiders" who had it on good authority, over the next ten years, that the ruthless and irascible darling of victory was to be sacked, eludes the historian's counting. Perhaps Erhard is no Caprivi, but a Bismarck

of sorts—a man whom nobody likes, but whom no one replaces since one cannot replace success. As any initial catalog of Germany's present problems indicates, Erhard in the 1960's, like Bismarck in the 1860's, will certainly have many opportunities to lose his job and his reputation. In fact, both are at stake now, unless Erhard can get Germany moving in foreign affairs, on reunification and toward better internal organization. On the other hand, if he succeeds, he may not have to retire at 90.

Of course, Bismarck's tasks, though in some respects not dissimilar to those of the present German chancellor, were much easier. The simple panacea of resolving major problems with a dose of blood and iron, if necessary, is not available to Ludwig Erhard. Instead, he has to reconcile his country's ambition to join in control of the West's nuclear arsenal with the Russo-American desire for non-proliferation. In the clutch Bismarck could call upon an army that was superior to any conceivable constellation of continental enemies. Erhard has no such army, and even if he did it would scarcely bring home the bomb. Lyndon Johnson's none too adroit change of subject from joint control of nuclear weapons to joint exploration of space has heightened the German feeling of impotence and helplessness. Continued American pressure for German assistance in Vietnam has likewise found no favor as a substitute for an allied nuclear force with full German participation.

## REUNIFICATION

It may be argued that nuclear co-determination in any form is not the most pressing problem facing the Federal Republic. There are certainly others that receive more extensive daily treatment in the press, radio, and television. Leading these is reunification, both with and without the "lost territories." German feelings about reunification are strong—". . . seventeen million of our countrymen have not ceased to be living human beings. They have not become political machines—even if they are members of the

ruling party."<sup>10</sup> This sentiment has suddenly swept the country in the wake of the suicide of East Germany's planning chief Erich Apel. In death, the hated Red functionary was suddenly suffused by the radiance of martyrdom, until more sophisticated observers began to ask how many suicides east of the wall would be needed for the salvation of compatriots in East Germany (the D.D.R.). Perhaps Apel need not have blown his brains out. Perhaps his death removed a man with whom the Federal Republic could have negotiated, which would make his death, in the opinion of many Germans, a national as well as a personal tragedy. In any case, the pressure for contacts is increasing. The uncertain cultural thaw has been highly publicized; witness the coverage of the recent East German tour of the Hamburg Philharmonic. In the course of it Bonn journalists have not hesitated to compare the Western indifference to visitors from the D.D.R. with the tearful enthusiasm that greets federal citizens in Halle, Leipzig, and Dresden. The conclusion is often this question: They have not forgotten us, but are we remembering them?

Reunification is neither a single nor a series of bilateral problems, as it was in Bismarck's day. There is no partitioned Poland whose continued quiescence can be used to buy off Russia. There is, in fact, no sure way, either peaceful or violent, which guarantees results. For years it has been clear to any moderately penetrating and impartial observer that the Western powers had done all they could for Germany when they allowed the consolidation and financed the recovery of their three zones of occupation. Whatever follows, including nuclear co-determination, cannot come about without East-West collaboration in Germany and beyond Germany. In the context of reunification the Germans must begin active bargaining with the Communist world. This will require the abandonment of any hitherto cherished policy of nonrecognition and, as an increasing number of courageous and imaginative Germans are beginning to understand, it will eventually mean some even more painful sacrifices.

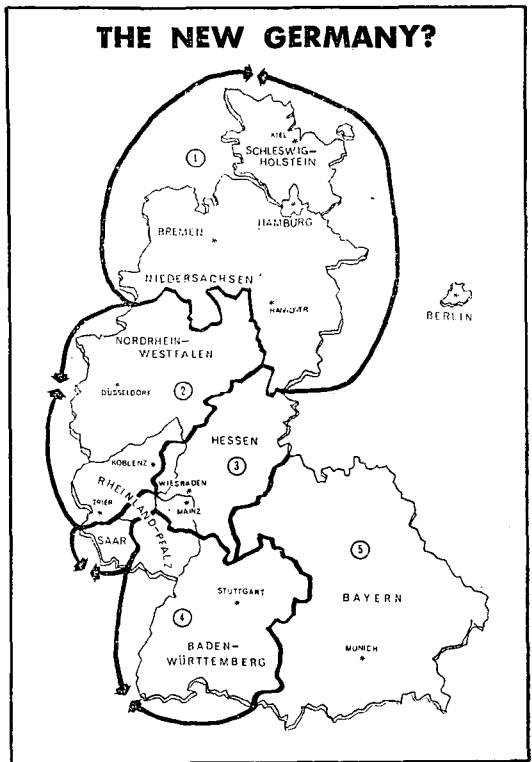
Members of both Christian confessions in

<sup>10</sup> See Paul Sethe, "*Deutschlands geteilter Himmel*," in *Die Zeit* (Hamburg), February 4, 1966.

Germany have recently urged the abandonment of the territories east of the Oder-Neisse line.<sup>11</sup> In an interview not long ago, Johann Baptist Gradl, federal minister for refugees, agreed that this was probably an inescapable decision. German responses have ranged from resigned accord to outraged cries of "Treason!" Eastern reactions to these wrenching concessions have been less than exuberant. Poland wanted to know whether Bonn expects the Gromulka regime to sell Walter Ulbricht to his enemies in return for conceding to Warsaw what is Warsaw's already. That is not a bad question. Somebody will have to be sold out before Germany is united even as far as the Oder-Neisse line. Meanwhile, the United States should perhaps strive to reward the present German government's devotion to ten-gallon hats and Texas barbecues more palpably than it has. Exclusion from nuclear control and stagnation on the road to union are a heavy price to pay for American friendship.<sup>12</sup>

### INTERNAL REVISION

Finally, there remains a problem not only Bismarckian in nature, but one which the Iron Chancellor left to his successors, who have gingerly passed it from generation to generation, until it has come to rest in the lap of Ludwig Erhard. This is the problem of Germany's internal structure. The Pomeranian Junker created a federation of dynasties unique in the history of European statecraft. He was never satisfied with it, but the apostle of revolution from above feared the forces he had unleashed, and escaped paying the price for his inconsistencies by preserving the status of as many of Germany's ruling houses as was compatible with his objectives. The absurd federal structure in which Prussia was larger and more populous



—This map, redrawn from one run in the December 22, 1965 issue of *Der Spiegel* (Hamburg) portrays the redistricting proposal of Franz Meyers, the minister-president of North Rhine-Westphalia.

than all the other states combined was substantially retained under the Weimar Republic. A state like Brunswick, for instance, consisting of eight small separate territorial fragments, a typical product of dynastic accumulations, emerged as a member in good standing of the new federation of democratic republics. Nazi Germany claimed to have

(Continued on page 308)

On leave in Europe, Hans A. Schmitt reports directly from the scene for this issue. In fall, 1966, he will return to Tulane University where he has been a faculty member since 1959. Mr. Schmitt has specialized on national integration in Germany and is the author of *The Path of European Union: From the Marshall Plan to the Common Market* (Baton Rouge: Louisiana State University Press, 1962) and of *Charles Péguy: The Decline of an Idealist* (now scheduled to be published in 1967).

<sup>11</sup> For an expression of such sentiment, see the German Evangelical Church statement on the Eastern territories on pp. 303 ff. of this issue.

<sup>12</sup> There are still persons in Germany who argue for the validity of the Munich Pact which transferred the Sudetenland to German control in 1938. Their vocal spokesman in the government is Christoph Seebohm, the minister of transport. For a recent account of Sudeten German revisionist agitation, see Radomir Luza, *The Transfer of the Sudeten Germans* (London: Keegan, Paul & Co., 1964), pp. 312-16.



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*Writing of the division of Germany, this specialist asserts that "... on both sides of the artificial boundary it is increasingly realized that the longer the separation lasts, the more difficult union will become." As he sees it, intellectuals in both East and West Germany believe that "the gulf is widening and the bridges of mutual understanding are becoming shakier."*

## Berlin Revisited: Thoughts on Unification

By KARL LOEWENSTEIN

*Professor Emeritus of Jurisprudence and Political Science, Amherst College*

THE RETURNING visitor who witnessed Berlin's catastrophic prostration at the end of the last war can hardly believe his eyes. Rising literally from ashes and rubble, West Berlin has become one of the showplaces of Europe. What once reflected the dullness of the money-proud Wilhelmian bourgeoisie has been replaced by boldly modernistic architecture—functionally as useful as it is pleasing aesthetically—in which the world's renowned architects have joined in peaceful competition. Within this magnificent shell lives a people bent on regaining the artistic leadership of postwar Germany, although political leadership has been denied them.

The city's vitality is bursting its seams. Conventions, lectures, concerts and exhibitions crowd the daily calendar. In grandiose Philharmonic Hall, famous conductors and orchestras follow one another. Night after night, a dozen theaters play to ravenously responsive audiences. For example, the new State Opera presented (for the sixtieth time) Arnold Schoenberg's futuristic opera, "Moses and Aaron," to capacity houses. The program of the numerous opulent movie theaters is blessed—or cursed—with an unmitigated avant-gardism. Scores of up-to-date hotels cater to the tourist trade, which is second only

to that of Munich and Frankfurt. The Free University, located in the unique suburban landscape of Dahlem and housed in modern buildings erected in part by American munificence, flourishes with close to 20,000 students and 1200 instructors. The stores around Kurfürstendamm are filled with luxury goods readily sold to an over-prosperous clientele. In the elegant restaurants, more mink coats may be counted than are visible on Park Avenue.

Prominent in the public eye is Willy Brandt, the governing lord mayor of West Berlin, who ran unsuccessfully for the chancellorship against Ludwig Erhard in September, 1965. The federal government is little in evidence. Since a meeting of the federal parliament in West Berlin in April of 1965, led to retaliatory action by the Eastern regime, it was not repeated. Informal meetings of parliamentary commissions or an occasional visit of the federal president are conducted in a minor key. And one is never permitted to forget that West Berlin is still an occupied city. The real authorities are the American, British and French commanders who still possess—and occasionally exercise—the veto against statutes to be passed by the Berlin assembly.

And yet behind this mask of hectic and artistic activity, the more than casual visitor

cannot help discovering a lingering malaise and a deep uneasiness among a people distinguished by their ability to adapt themselves to changing conditions and their fortitude in adversity. This is not caused by any sense of physical insecurity in the light of their exposed geographical location. Nothing is farther removed from their minds than fear of an attack from the East, which they consider a mere figment of imagination, primarily of the Americans. Rather, uneasiness is a psychological condition. After a while, the visitor himself experiences a kind of claustrophobia, marooned on a tiny territory of 185 square miles and boxed in wherever he turns. The 200-odd daily flights to Frankfurt, Hamburg and other cities are the only practical link with the outside world. Behind the stolid and courageous front of the Berliners, one senses their terrifying isolation and heart-rending loneliness.

### THE ECONOMIC SITUATION

Official statistics—with which the visitor is showered—bristle with rising curves of economic wellbeing. In 1965, after two decades of stagnation, West Berlin at long last caught up with the amazing prosperity of Western Germany.<sup>1</sup> The growth rate of 6 per cent over 1964 surpassed that of the Federal Republic (4.8 per cent). Capital investment climbed an amazing 18 per cent over the preceding year. Such figures, however, must not be taken at face value. The increase in the take-home wages of the workers is largely wiped out by the creeping inflation generally observable in West Germany. Industry has found out that it has reached the limits of expansion, because of lack of physical space in an overcrowded urban environment, lack of capital and of labor, the labor barrel having been scraped to the bottom long since.

<sup>1</sup> For the following figures see *The New York Times*, January 21, 1966, p. 55.

<sup>2</sup> The following data are taken from the material issued by the Press and Information Office of the Land Berlin, particularly from "Berlin's Vitality, 1965," and from the issue *Berlins Industrie*, published by the Senator of Economics, Berlin, 1963 (with supplement of 1964).

<sup>3</sup> See *Finanzpolitische Mitteilungen*, issued by the *Presse und Informationsabteilung der Bundesrepublik*, no. 139 (August 17, 1965), p. 1126 ff.

On closer inspection the colors of the picture fade even more.<sup>2</sup> Soviet Premier Nikita Khrushchev's ultimatum of 1958 set in motion a veritable flight of the population from Berlin. Those who left for West Germany were the most ambitious and adventurous, and very few of them returned. Only in 1963 was this emigration arrested. The present total population of about 2.2 million remains below the 1958 figure. The rate of population increase (0.8 per cent) compares unfavorably with that of West Germany as a whole. The intrinsic demographic reason is found in the continuing excess of the death over the birth rate. This in turn is due to the peculiar age structure of the population. The population pyramid shows an only moderately broad base of the younger age groups up to 20 years, while an inordinately inflated bulge represents the age groups between 50 and 70 years and above, with a remarkably slim waistline indicating the most productive age groups between 20 and 50 years. In other words, the middle strata have left for the happier hunting grounds of the Federal Republic.

That West Berlin is sharing in the prosperity of West Germany needs no elaboration. However, a significant shift in industrial structure has taken place. Heavy industry has migrated to more secure sites in West Germany, and has been replaced by light industries such as foodstuffs, beverages and tobacco (32 per cent of the total output) and electrical engineering (23 per cent), most of it for home consumption. Berlin's export amounted in 1965 only to ten per cent of the total production.

The economic picture darkens even more if one considers the continual dependence of West Berlin on the federal treasury.<sup>3</sup> From 1951 to October 1, 1965, direct payments from Bonn amounted to 16.967 billion DM (\$4.242 billion), constituting (in 1963–1965) no less than 42 per cent of the entire budget of West Berlin. But this is not all. Added must be the federal assistance to the reconstruction of Berlin, outright loans granted, and the loss to the federal revenue by the tax relief accorded the Berliners. The federal

dole thus reaches the staggering sum of 25.375 billion DM (\$6.344 billion). Since the tax income the federal treasury has drawn within the period mentioned was 15.728.6 billion DM (\$3.432 billion), the net loss caused by the Berlin situation was 9.647 billion DM (close to \$2.4 billion). West Berlin, thus, has been and will remain a perennial pensioner of the Federal Republic, never able to pay its own way. The situation is bound to deteriorate, since in line with the austerity program which the new cabinet under Prime Minister Ludwig Erhard was forced to initiate in October, 1965, a drastic reduction of the aid for Berlin has been announced.

### THE WALL

A visit to the Wall—*die Mauer*—by now has become a must for every virtuous tourist. At a certain point he is encouraged to ascend a few steps to a kind of platform from which he may observe its twisted course through what once was the tissue of a living city. Undeniably the structure of sturdy cement blocks amply adorned by barbed wire is ugly. But at least one visitor failed to be as shocked as the ritual requires. Forbidding as it is, the wall has become a blessing in disguise.

Year after year after its establishment in 1949, the German Democratic Republic (D.D.R.) underwent a formidable blood-letting as hundreds of thousands of its most valuable citizens—primarily academic professionals, managers and skilled workers—emigrated. Unless this emigration stopped, the Eastern regime was bound to collapse. Khrushchev's ominous ultimatum of 1958 aimed at the conversion of Berlin into a Free City—whatever that may have meant—was intended to halt the outflow. Against the resistance of the Allies and the West Berliners themselves this proved abortive. Hence the erection of the wall by the East Germans on a single day—by itself a great achievement.

The fortified wall, and its extension beyond the city limits all along the Western borders, was the solution, less risky and more effective. Since then only a trickle of adventurers have succeeded in crossing, braving the bullets of the border police or swim-

ming the icy Elbe river. Whether all those who escape are driven by a thirst for freedom, as is claimed, or whether other, less noble, motivations—such as higher wages in the West or a waiting girl—are the inducement is a moot point. But it seems indicative of the situation that arranging escapes has become in West Berlin a flourishing business with a good deal of fraud involved.

To put it bluntly: Seen in retrospect the wall has saved the peace. As events proved, the United States (not to mention Britain or France) was not prepared to go to war—and not a conventional war at that—because of the wall. What the wall has accomplished is no less than the stabilization of the status quo, the late President John F. Kennedy's brave if ill-advised words, "I am a Berliner," to the contrary notwithstanding. When asked in private and not for quotation, responsible Germans fully agree with this conclusion. Still, cliché-ridden members of the American mission are horrified by such an evaluation of a situation officially regarded as a great misfortune for "the free world."

### THE GERMAN DEMOCRATIC REPUBLIC

Permanently closing the Berlin escape valve could not fail to have immense repercussions on the D.D.R. Its 17 million people came to realize that they must resign themselves to living in, and belonging to, a separate state divided from West Germany. And this is just what they have done in the past five years. They have settled down to develop their own state and have succeeded beyond their hopes. The unadorned truth is—and this is wholly ignored in West Germany—that the D.D.R. has risen to the rank of the fifth industrial power in Europe, after the U.S.S.R., West Germany, Britain and France, topping Italy, Sweden, Switzerland—and that East Germany is the seventh industrial power in the entire world, if the United States and Japan are added to the list. In East Germany the young technocrats have taken over. Not caring for ideological subtleties, they have embarked on a bold industrial reform program known as "the new economic system." With the blessings of Walter Ulbricht—the first

Secretary of the Socialist Unity Party (and the devil incarnate for official Bonn)—they have set up an industrial plant equal to the most advanced industrial states.

To obtain an objective picture it is not sufficient to pay a fleeting tourist visit to the deliberately drab backwaters of East Berlin nor to be taken in by the lacquered glamour of the Leipzig fairs. Reliable reports about economic conditions in the D.D.R. are sufficiently available<sup>4</sup> and various specialists on the subject lecture at the Free University. There is general agreement that even though living conditions have failed to reach the often garish prosperity level of West Germany they have, during the last few years, vastly improved. Aside from occasional shortages due to maldistribution, the people have adequate consumer goods and food-stuffs. Butter consumption, for example, is the highest of all West Europe. The social services are among the best anywhere. Real scarcities exist only for things which require hard currency, such as oranges. Foreign trade missions promote the relentless export drive. In chemicals, electronics, precision instruments, shipbuilding and other industries, the D.D.R. has grown increasingly competitive. Even if one takes into account the relativity of such figures in official reports: the rise by 7 per cent of industrial production and by 4.7 per cent of the gross national income in 1965 compares not unfavorably with West Germany.<sup>5</sup>

A significant though understandably little advertised sign of the rising economic strength of the D.D.R. is the rapidly increasing trade between the two Germanys which, though official figures are hard to come by, totaled in 1965 \$600 million, with the D.D.R. exporting primarily meat (pork and beef), coal

and chemicals. West Germany by now has become the largest customer of the D.D.R., second only to the U.S.S.R.<sup>6</sup> Far from slavishly following what purports to be the orthodox Communist pattern, existing industrial ceilings are being removed and the Eastern economy is beginning to rely on the laws of supply and demand.

The secret of this surprising economic upsurge is not hard to unravel. After all, the East Germans, among them the notoriously industrious and inventive Saxons, are first and foremost Germans, fanatically devoted to work and taking an immense pride in it. Judged by tangible results, Communist ideology has not affected their working capacity. In other words, the wall has protected East Germany against the loss of valuable manpower and the people have tackled the task of building their own society.

The negative aspects of East German life should not be minimized. Intellectual freedom is still subject to official curbs. However, to describe these curbs as "Stalinist" may seem far off the mark. People refraining from activities directed against the regime remain unmolested and, going along with their daily work, are able to enjoy the mounting prosperity. But one should bear in mind that indifference to intellectual independence is one of the characteristics of our society everywhere. And the much vaunted freedom of opinion in West Germany has its flaws as evidenced, for example, by the recent dropping from the television screen of a hard-hitting political satire displeasing to the authorities.<sup>7</sup>

That the D.D.R. has become a full-fledged state is being assiduously ignored by the Bonn government and its subservient press, still filled with horror stories about conditions in the D.D.R., such as shortages, breakdowns and unrest. It is still taboo to mention the D.D.R. by its official name; instead such appellations as the "Soviet zone" or "Middle Germany" are officially used. While such ostrich-like behavior may seem merely ridiculous, the tenaciously maintained claim of the Bonn government to be the sole legitimate spokesman for all Germans is doing real harm

<sup>4</sup> See for example *The New York Times*, January 21, 1966, p. 74.

<sup>5</sup> See *The New York Times*, January 21, 1966, p. 74.

<sup>6</sup> The share of West Berlin in the East-West trade is one-sided because imports from the D.D.R.—224.8 million DM—far exceeded exports—only 44.4 million DM—the bulk being composed of petroleum, agricultural products and coal. See "Berlin's Vitality, 1965," p. 16.

<sup>7</sup> See *The New York Times*, January 2, 1966, and *Der Spiegel*, no. 3, 1966, pp. 27 ff.



to the German Federal Republic. Under the so-called "Hallstein doctrine,"<sup>8</sup> the Bonn government is bound to sever diplomatic relations with any state—except the U.S.S.R.—that recognizes the D.D.R. This has happened to Yugoslavia. To what disastrous impasses such a foreign policy can lead was demonstrated by the chain reaction set in motion in the wake of East German leader Ulbricht's state visit to Egypt (1965). This led in turn to the establishment of diplomatic relations between Bonn and Israel, a West German move to indicate displeasure of Egypt's reception of an East German official, and the consequent boycott of Bonn on the part of most Arab states, who thus protested the German recognition of Israel. The East Germans jubilantly moved into the vacuum so beneficial to their export drive.<sup>9</sup>

### THE PROBLEM OF GERMAN UNIFICATION

The foregoing reappraisal of the East German regime cannot fail to affect the unsolved issue of German unification. For two decades it has been the iron-clad policy of Bonn, supported by each succeeding American administration, to demand unification on Western terms. This would mean free elections, in both parts, of a common German parliament and government; it would result in an overwhelming vote for *Anschluss* (union) if

<sup>8</sup> Editor's note: Walter Hallstein, who was Chancellor Konrad Adenauer's State Secretary, initiated this doctrine in 1955. Although according to the doctrine West Germany must sever diplomatic relations with countries giving *de jure* recognition to East Germany, it avoids economic restrictions against such countries, as well as against East Germany.

<sup>9</sup> Another consequence of the claim to be the sole representative for all Germans is the insistence of the German Federal Republic that no firm domiciled in the Eastern sector is entitled to its customary firm name if a West German competitor uses the same name. In a decision of March 30, 1965, the Swiss *Bundesgericht* justly rejected the claim; see *Juristenzeitung*, vol. 20 (1965), pp. 761 ff. A similar case before the British High Court is pending.

<sup>10</sup> Editor's note: At the Potsdam Conference, in 1945, the lands east of the Oder and Neisse Rivers were temporarily placed under the control of the Polish government. In June, 1950, East Germany, Poland and the Soviet Union recognized the Oder-Neisse line as the permanent border between Germany and Poland. This line is not formally recognized by the West German government. For further discussion, see pp. 279ff. of this issue.

for no reason other than the numerical superiority of the West German over the East German population. Counterproposals such as an interim federation between the two independent German states have been ruled out.

The Western plan contains some built-in booby traps, such as the necessity of readmitting the Communist party now prohibited in the German Federal Republic. In addition, this Western approach involves a number of impediments for Bonn which—though never mentioned in public—are frankly admitted privately. In its present shape and form, West Germany is held to be economically far more viable and culturally more homogeneous than it would be when joined with the sprawling Eastern region. East Germany's undefined borders would be inherited by a united Germany; at least the recognition of the Oder-Neisse line<sup>10</sup> would be a prerequisite. Secondly, and even more important, in free elections the majority of the predominantly Protestant working population of the D.D.R. would vote for the Social Democrats as closest to their political convictions. The presently ruling cliques of the C.D.U.-C.S.U. (Christian Democratic Union-Christian Social Union) would be bound to lose their parliamentary majority. In effect, reunification would mean that the ruling party hierarchies would commit political suicide.

Thirdly, since the existing industrial establishment in the D.D.R. is strongly competitive with that of Western Germany, rather than being complementary, the captains of industry in the Rhine and the Ruhr would be compelled to channelize most of their investing capacity to the task of coordinating and reorganizing the two industrial complexes, thereby cutting deeply into the profitable export trade. And it may well be doubted that the free market economy so successfully operated in West Germany can be reconciled with a strictly socialist economy without imposing concessions and even sacrifices on the prevailing Western system.

Fortunately for them, for the time being and in the indeterminate future, the West Germans are spared the necessity of coming

to grips with these knotty problems. Neither the Soviets themselves nor Germany's neighbors, Poland and Czechoslovakia, would or could tolerate the establishment of a united Germany of some 75 million hardworking and nationally restless people. Not only would such a state spell doom to the laboriously maintained equilibrium in Central Europe, but a united Germany would be Europe's master.

However, while the official attitude towards unification is wholly frozen, the visitor will discover a curious split personality. Reversing Clemenceau's famous dictum about Alsace-Lorraine, "*Toujours y penser, jamais en parler*," all Germans, even those favoring the rising nationalism, agree that unification on Western terms is an illusion. For the reasons mentioned above, the Germans themselves prefer the status quo.

The Bonn government is hewing the nationalistic line by being officially represented at all conventions of the various refugee organizations which are hotbeds of national emotionalism. The Sudeten Germans, in particular, endanger West Germany's relations with East Europe by proclaiming their "right to their homeland" (*Recht auf Heimat*). At no time has the Bonn government dissociated itself from such claims.<sup>11</sup>

If this is the official policy towards unification, what do the common people think about it? When questioned by one whose inflection does not betray the foreigner they are of course in favor of it in much the same way as they favor good weather for their vacations. However, by probing deeper, one will easily discover that the desire for unification—if such there is—decreases proportionately with the distance from the eastern borders. Naturally it is strongest in West Berlin because West Berliners wish to be united with their families; most of them would gladly settle for unification of their divided city. But in the Rhineland, West Germany's heartland, or in

southern Germany, the people are wholly indifferent to the issue. West Germans have clearly resigned themselves to the fact that unification, desirable as it may be theoretically, is unattainable for a long time to come. The situation may be different in East Germany where the masses would like nothing better than to share Western prosperity and, by the same token, to rid themselves of Communist control. But on both sides of the artificial boundary it is increasingly realized that the longer the separation lasts the more difficult union will become. The recent, more frequent meetings between intellectuals of the East and the West convinced both that the gulf is widening and the bridges of mutual understanding are becoming shakier. Even linguistic communication shows signs of estrangement. If the sense of alienation is weaker in the East—of which this writer has no personal experience—the feeling grows that the two parts of Germany have lived so long apart that they are strangers. For the new generation in the East, West Germany may be as foreign as Austria.

### THE FUTURE OF BERLIN

What does the future hold for Western Berlin? Even if an unexpected twist of history joins the separated parts, it hardly seems likely that the once proud capital of the German Reich will regain its commanding position. Other regional centers, closer to the sites of raw materials and the arteries of world communications, have emerged: Frank-

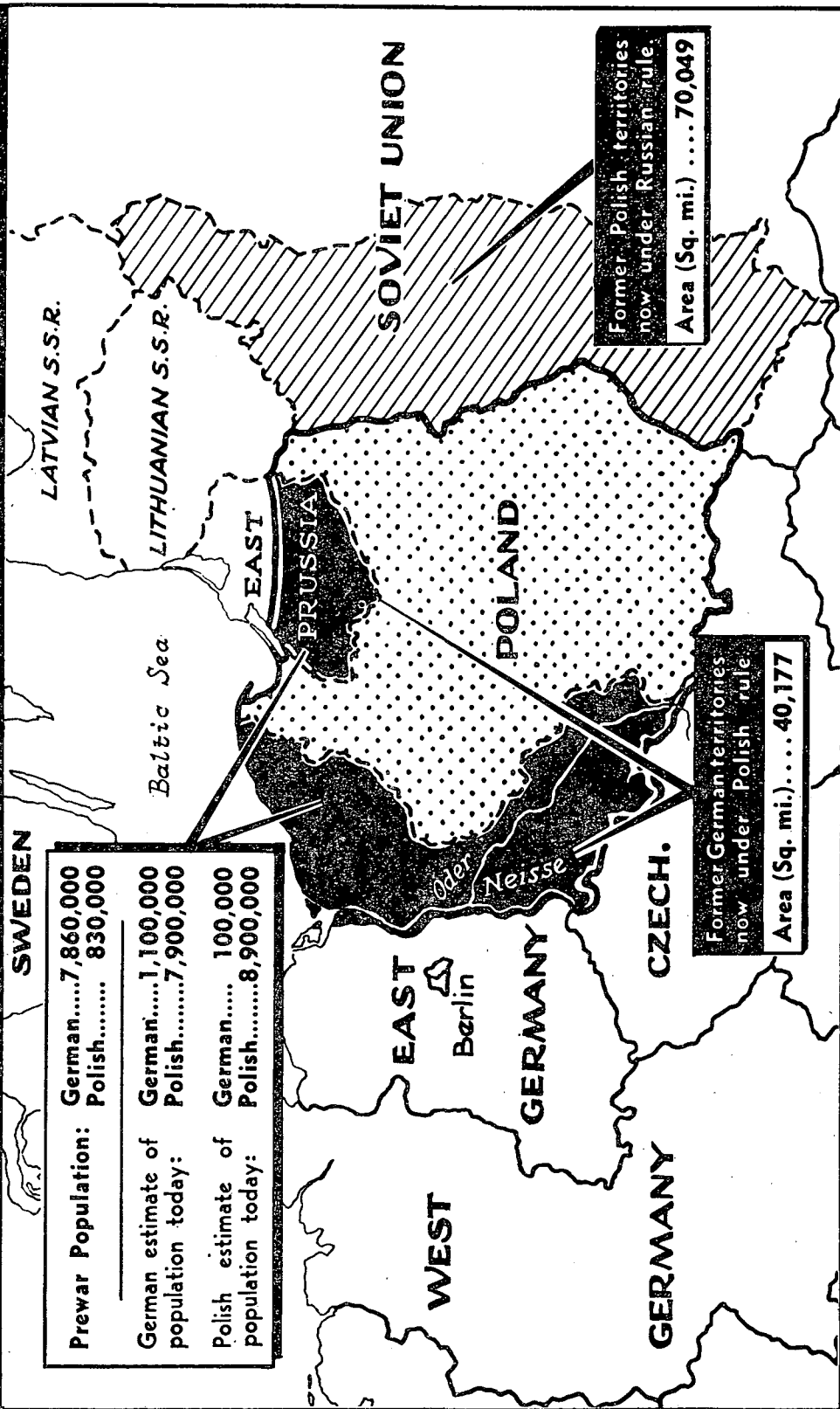
(Continued on page 307)

<sup>11</sup> The demagogic implication of this nationalist propaganda may be gathered from the fact that the vast majority of the *ci-devant* refugees, particularly the younger generation, have become completely integrated in prosperous West Germany; even if given the choice they would never return to what was the homeland of their parents or grandparents.

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# GERMAN ISSUE — THE LOST LANDS IN THE EAST



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*In an effort to maintain friendly and balanced relations with France and the Anglo-Saxon world, the West Germans face a continuing dilemma. As this author sees the situation today, "a stalemate seems to have settled upon West Germany's foreign policy."*

## West Germany and Europe

By CARL G. ANTHON

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ON JANUARY 22, 1963, in the glittering rooms of the Elysée Palace in Paris, a scene was enacted that symbolized at once the triumph and the dilemma of West Germany's new status in postwar Europe. Konrad Adenauer, age 87, West German chancellor for nearly 14 years, had pilgrimaged to Paris to seal the newly-achieved bond of friendship with France, Germany's former enemy for hundreds of years. The ceremony of signing this document of peace and reconciliation was a memorable one, witnessed by millions of Eurovision viewers. According to Pierre Vianson-Ponté who described the scene in his amusing book, *Les Gaullistes* (1963),<sup>1</sup> French President Charles de Gaulle suddenly stepped forward to embrace his old German friend and kiss him loudly on both cheeks. Adenauer was touched to tears.

Unfortunately for West Germany's policy aims, however, only one week later "Old King Gaulle" followed up this action with his imperious veto of England's application to the European Economic Community<sup>2</sup>—despite Adenauer's support of the application.

These interrelated diplomatic acts represent, on the one hand, the triumph of Adenauer's long-standing policy of friendship and cooperation with France and, on the other,

his failure to balance this with Germany's need for security, and therefore for friendship with the Anglo-American world. Subsequent events—France's angry withdrawal from the European Economic Community (Common Market) Council of Ministers in July, 1965, her return six months later under extortionate conditions, and the stalemate in European political union—were the logical consequences of the fateful veto. Together with the stalemate in German unification and East European rapprochement, and the frustrated nuclear diplomacy of the West they seemed to spell at least the partial defeat of the foreign policies of Adenauer's Germany.

The first basic principle of Adenauer's foreign policies as he embarked upon his chancellorship in 1949 was full, unequivocal cooperation with the West. It is perhaps not always realized how deeply and how early in his political career Adenauer was committed to a Western orientation. The first volume of memoirs which this indefatigable nonagenarian is writing during his period of "retirement" sheds additional light on his political views as Oberbürgermeister of Cologne after World War I and II. Friendship with France and economic union with France and Belgium were basic in his scheme of European politics. And he noted with satisfaction that as early as 1945 General de Gaulle, in a speech in Saarbrücken, had called on Germans and Frenchmen to forget their past enmity and think of their common European heritage.

<sup>1</sup> Published in English as *The King and His Court* (New York: Houghton-Mifflin, 1964).

<sup>2</sup> The so-called Common Market, composed of France, West Germany, Italy, Belgium, Luxembourg and the Netherlands.



In retrospect, a Western orientation for Germany after the Second World War may seem logical, even truistic, but it was not inevitable. In those uncertain postwar years, a German government might have tried to experiment with a Rapallo-like policy or, at least, to steer a middle course between Soviet Russia and the Western allies in the hope of achieving reunification—which could only come about by agreement among the four occupying powers. This was more or less what the Social Democrats under Kurt Schumacher had advocated, although they might very well have pursued the policies adopted by Adenauer had they come into power. In any event, for Konrad Adenauer and his Christian Democrats there was only one way to meet the threat of Communist aggression—a very real one at the time—and that was by alliance with the West and with the United States in particular. This was a policy born of the cold war, like West Germany itself, and a policy likely to continue as long as Soviet Russia and her satellites remain a threat to the security and freedom of West Germany.

The second basic principle of Adenauer's foreign policy was Germany's integration with a new West European Community. This again was a logical policy in view of the fact that Germany had lost, as it were, its national past, as a result of World War II. After 1945, "Year Zero" in German national life, there was no return to the national concepts and values of earlier days. The Germans had lost their state; Prussia itself, symbol of greatness for most Germans, had been wiped off the map by fiat of the conquerors. The Germans were, in fact, the only people in Europe to start out afresh with a *tabula rasa*, to be filled with new values, new meaning. These could only come from a European rather than a national existence.

For Adenauer personally this was a rather natural policy. As a Rhineland and Rhenish statesman, he was unsympathetic to the spirit of Berlin and East Elbia, the seat of the Hohenzollern family and its Junker supporters. He had a neo-Carolingian vision of a West European Christian polity within which Germany would one day be merged.

The third principle or objective was German reunification. This was of course the knottiest problem of all, an aim which many critics regarded as contradictory to the other two objectives. Would an alliance with the West, and European integration, jeopardize the chance that Germans could be reunited? Adenauer did not think so. He firmly believed that Russian willingness to negotiate on the reunification issue would come only if the West held a position of strength. To this strength, he felt that West Germany should contribute its full support. A strong, independent Federal Republic, a strong European community and Atlantic alliance, and finally reunification—this was the sequence of priorities and probable developments envisaged by Adenauer.

These basic objectives were incorporated in the contractual agreements of 1952 and in the Paris treaties of 1955 which the Federal Republic signed with the three Western allies. These treaties granted sovereignty (with certain significant limitations) and a defense establishment in the Western European Union and NATO. They also specifically recognized German reunification as a legitimate objective and pledged support to achieve it. The Federal Republic, on its part, agreed to an early Saar settlement, to furnish 12 divisions to NATO, and to renounce the manufacture of nuclear, biological and chemical weapons. Even the Basic Law—the constitution of the Federal Republic which was adopted in 1949—specifically pledged support of the policy of European integration and allowed for limitation on its sovereign powers to achieve this purpose.

### GERMAN RENAISSANCE

The year 1955, only a decade after "Year Zero," saw a reborn Germany such as neither the Germans nor the rest of the world could have conceived. To a very large extent this was the personal achievement of the aged chancellor, who thereby came to acquire a stature second only to Bismarck among German statesmen. A once-despised and conquered, occupied nation, Germany—at least west of the Elbe—had achieved independence,

internal and external stability and security, and unparalleled prosperity. Germans were gaining prestige abroad and were well on the way to achieving reconciliation with the peoples of former enemy countries. Adenauer personally sought restitution measures for the Jewish people; and generous aid was offered to the new state of Israel—a policy culminating in the establishment of diplomatic relations with Israel in 1965. Most miraculous of all, Adenauer had not only succeeded in retaining the industrial complex of the Ruhr for Germany, but had also brought about the return of the Saar through shrewd diplomacy and tact. Thus, his Western policy had been successful and wise, and the victory of his party in successive federal elections proved that the great majority of West Germans approved.

Only the third objective, reunification, continued to be elusive, in fact, more remote than ever. For this reason, the chancellor's Eastern policy was increasingly challenged and criticized as too inflexible. The policy was based, his critics maintained, on the premise of the existence of a monolithic Communist bloc led by Moscow, bent on westward expansion, with whom negotiation or accommodation proved useless. Critics charged that the non-recognition of the Oder-Neisse line by Bonn, the refusal to have diplomatic relations with states that recognized the East German puppet regime—a policy known as the Hallstein doctrine—prevented West Germany from reaching an understanding with the East European countries who were themselves trying to achieve some autonomy from the Kremlin's dictation.<sup>3</sup>

This argument tends to overestimate the possibilities for flexible improvisation and maneuvering in East Europe (even after Stalin and after the appearance of the Sino-Soviet conflict), and ignores the fact that Adenauer's alleged inflexibility was a response matched to Moscow's intransigence. Nonetheless, Adenauer was able to overcome his deep revulsion for the Soviet regime when an opportunity

presented itself in 1955 to obtain the liberation of German prisoners of war in Russia in return for the establishment of diplomatic relations with Moscow. This was an arrangement which had the full approval of the Western allies and which gave the Federal Republic a direct line of communication with Russia, a line indispensable for eventual negotiations for reunification. It also reflected the new power of the Federal Republic, which the Kremlin masters realistically appreciated.

However, the mere establishment of diplomatic relations did not improve the climate and the dialogue between Bonn and Moscow in the ensuing years. This was largely because the Soviets, by words and deeds, proved that they were unwilling to abandon their support for the puppet regime of Walter Ulbricht in East Germany or to budge on the question of reunification (a question discussed in greater detail elsewhere in this issue).

#### THE ERHARD ADMINISTRATION

The Ludwig Erhard regime which came to power in October, 1963, and which inherited the problems of its predecessor, continued essentially the same foreign policies. Among the problems inherited were agricultural integration within the European Economic Community (involving chiefly lowering wheat prices), nuclear defense within NATO, the harmonization of the Bonn-Paris axis with the Anglo-American world, and the stalemate in the East. Some key ministries changed hands but this, too, brought little change in policy. Foreign Minister Heinrich von Brentano had been under attack, chiefly from the Free Democrats, for his alleged servility to Adenauer (who indeed had been his own foreign minister) and for excessive rigidity in Bonn's eastern policy. Defense Minister Franz Josef Strauss became the victim of his own affair with the *Spiegel* and was replaced by Kai-Uwe von Hassel. Gerhard Schröder, who had succeeded Brentano as early as autumn, 1961, was expected to be more independent and more resourceful, and to inject a fresh breeze into Bonn's eastern policy. Very little, it will be seen, could be accomplished in this direction.

<sup>3</sup> For a discussion of the Oder-Neisse line and the Hallstein doctrine, see p. 279 and footnotes, p. 267 of this issue.

However, since 1962, a change seems to have come about in West Germany's Western relations, largely on account of de Gaulle's change of policy regarding the Common Market. One of Adenauer's prime objectives, perhaps even an obsession, had been reconciliation with France. His vigorous support of European projects like the Coal and Steel Community and the European Defense Community had been motivated, in part, by his desire to find a new relationship with France. In Robert Schuman he had found a French statesman who, like Aristide Briand in an earlier day, was intent upon bringing about European union as well as Franco-German rapprochement. The efforts of the leading statesmen of the Fourth French Republic—with some prodding from the United States to be sure—were directed toward creating European institutions which would contain the German potential and make war between Germany and France materially impossible.

Surprisingly, the advent of de Gaulle to power did not at first change French policies toward Germany and the European community. The General and loyal supporters like Michel Debré, his new premier (and today his "super minister" of economics) had been outspoken foes of the European Coal and Steel Community and of the ill-starred European Defense Community. The Gaullists saw their supra-national implications and thought they were intended to be steps toward political union. Moreover, the General's critical views regarding Germany and a possible revival of German power were well known. De Gaulle was a classic exponent of France's traditional policy of encouraging separatism and decentralization in Germany as well as diplomatic encirclement. And yet, after the demise of the Fourth Republic, de Gaulle's France continued to honor her commitments with the European Coal and Steel Community, Western European Union and the European Economic Community.

The dialogue with Bonn, instead of diminishing, was intensified by Adenauer's numerous visits with de Gaulle. The two leaders, despite differences in their age, up-

bringing and political experience, cast a spell on each other and established a close community of spirit. Both tended to envisage a hierarchical, Catholic commonwealth; both, for personal and political reasons, were very critical of the English—the "un-European" English attitude and their proneness to socialism and neutralism. During the days of this Franco-German honeymoon, de Gaulle seems to have convinced his friend that his earlier anti-German views had been abandoned and that his current German policy rested on new realities.

The General, on his part, must have been greatly reassured when he made his triumphal visit to Germany in the autumn of 1962. "You are a great people," he told his German audiences, with appropriate regal gestures in the impeccable Gallic German he had learned at school. It was a melody Germans had almost forgotten but, coming from a great Frenchman, it did not fail to dazzle them. The treaty of friendship was signed in January, 1963. The Bonn-Paris axis seemed fittingly consecrated.

But almost at once came the fateful day in Brussels when de Gaulle, through his faithful servant, Couve de Murville, hurled the veto against Britain's entry into the Community of the Six. Did this have Bonn's blessing too? Adenauer, despite his reservations about Britain, seems to have been deeply concerned about de Gaulle's *jupiterisme*—his thunderbolt tactics—and tried to dissuade him—though not very hard—from carrying out the blow, which had been a long time a-brewing. Erhard, then minister of economics, and Schröder, the foreign minister, both strongly favored Britain's admission to E.E.C. They may have urged Adenauer to withhold his signature from the treaty of friendship unless the General would agree to continuing the negotiations with Britain. But Adenauer had been almost hypnotized by the prospect of the treaty ceremonies, which he regarded as the greatest and happiest achievement of his life.

The political significance of this treaty has been rather exaggerated and has, in any case, dwindled since the events of last year. An

important dispute between France and Germany really no longer existed and it hardly required a formal treaty to spell out their new friendship. But, of course, the treaty did go a little farther than that. It provided for close cooperation between the two governments in political, military and cultural matters, with regular consultation between heads of state, ministers, and lower officials as well as extensive exchange programs. Such meetings have been held regularly. But these have not prevented de Gaulle's recognition of Red China or his flirtation with Moscow, all apparently without benefit of consultation. Nor did the treaty stop de Gaulle from criticizing the Commission of "Eurocrats" in Brussels for their supranational pretensions or demanding from West Germany an early accommodation on the E.E.C. agricultural front. And although the Erhard government, with a heavy heart, gave in at the eleventh hour in December, 1964, and agreed to lower wheat prices, de Gaulle used certain remaining unresolved agrarian issues as a pretext for leaving the E.E.C. Council of Ministers on June 30, 1965.

### INFLUENCE OF DE GAULLE

The real reason for the boycott of E.E.C., of course, was de Gaulle's determination to force a change in the status and prerogatives of the E.E.C. Commission as well as in the Treaty of Rome (establishing the E.E.C.) itself. The latter called for the adoption of a majority vote in the Council of Ministers effective January 1, 1966, and this the zealous champion of French *grandeur* was determined to prevent. Moreover, he demanded the replacement of Walter Hallstein, the Commission's president since its inception. The General regarded him as the archleader of the "Eurocrats," who were out to impose their will on the sacred sovereign rights of European *patries* which de Gaulle wished to bring together in a very loose confederation. After his reelection as president of France, de Gaulle agreed to send back his foreign minister to the E.E.C. Council, provided the latter would meet at Luxembourg instead of in Brussels, and without the customary participation of

the E.E.C. Commission, whose wings he wished to trim.

The five foreign ministers who came to the Luxembourg town hall on January 17, 1966, with subdued optimism, were treated by Couve de Murville with studied, elegant arrogance. He presented them with a catalog of conditions which had the ring of an ultimatum. This was a meeting rather reminiscent of East-West conferences where Western statesmen were wont to break their skulls against a wall of intransigence. Schröder, strongly supported by his non-French colleagues, managed to save the conference by postponement and eventual compromise on the main issues (meetings of January 28 and 29) which left the Rome treaty and the E.E.C. institutions essentially unchanged—at least for the time being. But the prospect of European political union cherished by both the Adenauer and Erhard regimes has dissipated into thin air. This situation is unlikely to change so long as de Gaulle rules France.

The anti-European policy of de Gaulle, which commenced shortly after the climax of Franco-German friendship demonstrations, has caused deep concern and bewilderment in Bonn and among the German people. De Gaulle had no doubt been chagrined when he discovered on his visit to Bonn in June, 1964, that the Erhard government seemed to profess less romantic and exclusive affection for *la grande nation* than had its predecessor. The new administration seemed constantly to elude his Gallic embraces and kept looking in the other direction—towards Washington—when he brought up his project of Franco-German political union. Nor did his vague concept of a Europe from the Atlantic to the Urals, implying "Third Force" pretensions vis-a-vis the two superpowers, impress the Germans, who were far more conscious of their continuing need of American support and friendship.

No doubt the personalities of Erhard and Schröder, both more pragmatic, more frank than their French opposites, tended to dampen the ardor of Franco-German relations. Erhard and Schröder, moreover, had been hounded by a Gaullist wing in their own party, the Christian Democratic Union



(C.D.U.) and its Bavarian affiliate, the Christian Social Union (C.S.U.). The Gaullist *fronde* was led by ex-Chancellor Adenauer himself who, as chairman of the C.D.U., continued to wield considerable influence. Like Bismarck in his retirement days, Adenauer could not resist wrapping the knuckles of his successor in office. The Gaullist clique included influential C.D.U. politicians like the young, ambitious executive party chairman, Rainer Barzel, and C.S.U. leaders like Franz Josef Strauss and Freiherr von Guttenberg. Never very numerous, the clique also had its adherents in the foreign and defense ministries.

The fall, 1965, resignation of Hans Huyn, a minor official in the foreign ministry, in a cloud of mutual recriminations, dramatized the intraparty quarrels on foreign policy (Huyn was immediately offered a C.S.U. party post by Strauss). Huyn's specific charge was that Schröder's ministry was systematically sabotaging the Franco-German alliance. A full-scale parliamentary debate in January, 1966, subjected the government's foreign policies to detailed scrutiny. But the general conclusion seemed to be that Franco-German friendship must continue to be a basic principle in Germany's foreign policy even though the prospects for European political union were dim for the time being.

### ANGLO-GERMAN RELATIONS

On the other hand, Erhard and Schröder have sought to improve relations with England, which had sadly deteriorated during Adenauer's last years in office. In this, they have had a certain measure of success even though the ruling Labour Party has had among its ranks some of the more vocal critics of the Bonn Republic. Ludwig Erhard has never sympathized with those who wanted to keep the E.E.C. a closed, parochial group, and he continues to try to bring about a closer association of England and the other Outer Seven countries<sup>4</sup> with the Six. At the same time his government, in its endeavor to main-

tain the closest possible ties with the United States, strongly supports NATO and proposals for expanding and consolidating the Atlantic community. Bonn therefore eagerly promoted the multilateral nuclear force (M.L.F.) project because of the possibility for strengthening political ties among members of NATO. This policy of course clashed head-on with de Gaulle who, in his dislike of what he regards as American domination, is frankly working toward the dissolution of NATO. In this dilemma the Federal Republic has little choice; it must for security reasons identify itself with American defense planning.

### EAST EUROPEAN RELATIONS

In East Europe, the Erhard regime, as already indicated, has failed to achieve a breakthrough. The Hallstein doctrine is still essentially in effect and diplomatic relations with Yugoslavia, the test case of this policy, have not been restored since they were severed in 1957 when Tito's government recognized the puppet regime in East Germany. There was some danger that the Hallstein doctrine would have to be applied to a number of Arab countries who severed diplomatic relations with the Federal Republic when the latter took up formal diplomatic relations with Israel. Fortunately, the Arab states did not jump to the next step, the recognition of the Ulbricht regime, but if they had, it is likely that Bonn would have sought to retaliate with economic measures rather than with the Hallstein doctrine, against which criticism in West German circles and newspapers is constantly mounting.

The policy of "little steps" toward a rapprochement with Germany's eastern neighbors—expanding trade, cultural exchange, travel and the like—has so far brought little concrete improvement. West German trade missions have indeed been established in recent years in Warsaw, Budapest, Sofia and Bucharest, and a few West German trade fairs have had considerable success. Bonn took advantage of the International Fair in Moscow in September, 1965, to send State

<sup>4</sup> The so-called Outer Seven nations, who belong to the European Free Trade Association (E.F.T.A.), include Britain, Sweden, Norway, Denmark, Switzerland, Portugal and Austria.

Secretary Karl Carstens from the foreign ministry (the highest-ranking official to come to Moscow since Adenauer's visit in 1955) to seek high-level talks with Soviet officials. These encounters were courteous and correct, but were overshadowed by the simultaneous visit of East German leader Ulbricht. They did not bring about acceptance of Bonn's invitation to Soviet Premier Aleksei Kosygin to pay an official visit (formerly extended to former Soviet Premier Nikita Khrushchev); nor did they expedite renewal of trade and cultural agreements because of Soviet insistence that West Berlin be excluded.

Trade with the East European countries, while increasing, is still a mere fraction of prewar trade. Nor are the recently-established trade missions acquiring the diplomatic or political function Bonn would like them to possess. Their personnel tend to work in a political vacuum and to suffer from avoidance by party officials. Strong propaganda against West Germany in these countries further hampers the work of Bonn's trade missions. In Poland, the ground for closer trade relations was assiduously prepared through the efforts of Herr Berthold Beitz of the Krupp concern, who succeeded in working out plans for a unique industrial partnership, utilizing German technicians and Polish laborers for the seeming profit of both.

The drive in West German circles toward better relations with East European countries is constantly increasing, but is often checked by leaders of refugee organizations and by the government itself which is mindful of their political influence. In October, 1965, a memorandum of the German Evangelical Church entitled, "The Situation of the Refugees and the Relationship of the German People to their Eastern Neighbors," pleaded for reconciliation and the acceptance of the Oder-Neisse line.<sup>5</sup> Shortly thereafter, the newly-appointed minister for refugees, Johann Baptiste Gradl, indicated in a public speech the necessity for possible territorial sacrifices. Neither of these moves was seconded by the government, and it is doubtful that Bonn

could make a unilateral concession of this nature in advance of official treaty negotiations. Meanwhile, Cardinal Wyszyński, Catholic Primate of Poland, welcomed the message of the German church leaders and on his part expressed a hope for reconciliation between the two neighboring peoples, an important gesture, to be sure, but one which earned him severe criticism and penalties from Gomulka's regime.

The efforts of the West German government to participate in the planning of the nuclear defense of Europe are also having an adverse effect on relations with East Europe. But let it be noted that the Communist regimes will loudly protest any defense measure, conventional or nuclear, that Bonn might demand or undertake, because this is an indispensable ingredient in the Communist line. However, the mere suggestion of Germans having their fingers on the nuclear trigger is bound to have a strong psychological effect upon their neighbors—and not only those of the Communist East. De Gaulle feels as strongly about this as Polish Premier Władysław Gomułka, though he would apparently not be unwilling to have Bonn help him finance his *force de frappe*. France as well as the East European countries have opposed the M.L.F. project and Germany's association with it in particular. Bonn's argument that West Germany, which is furnishing the largest contribution in conventional arms to NATO, is entitled to equality and nuclear codetermination (not copossession) is perfectly understandable and legitimate but simply not acceptable to her neighbors.

Thus a stalemate seems to have settled upon West Germany's foreign policy. But the Erhard government cannot justly be blamed for failure to solve the problems inherited

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<sup>5</sup> For excerpts of this text, see pp. 303 ff.

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*Although Germany and the United States have fought one another twice in the twentieth century, this historian believes that "today the situation is different." As he sees it, the Federal Republic . . . "has built foundations (partly with American help) on which a German democracy is growing. . . ."*

## West Germany and the United States

By HANS KOHN

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**I**N A SPEECH in Stuttgart in 1946, United States Secretary of State James Byrnes opened up a new and unprecedented prospect of American and West German co-operation. The former enemy, in a *renversement d'alliance*, was to become a United States ally and its outpost against the Soviet Union—its former ally in the fight against fascist Germany. This would formalize the partition of Germany into a Western-oriented sector, soon to be organized as the German Federal Republic (the Bonn Republic, or G.F.R.), and a much smaller Eastern-oriented sector, soon similarly to be organized as the German Democratic Republic (East Germany, or G.D.R.).

At the same time, the United States military presence in the German Federal Republic was transformed from a victor's occupying force into an ally's protecting umbrella. The German Federal Republic became the country where the recall of the American troops was perhaps least demanded and most feared.

American protection not only encouraged the rapid economic recovery of Western Germany (so rapid that few people today remember the situation of 1945–1946), but also its acceptance as a sovereign state and a partner in the North Atlantic Treaty Organization. After initial resistance from many sections of German youth (who recall the disastrous role played by the army in Germany's foreign policy and the German scale of values between 1866 and 1945), German rearmament made

rapid progress; in the late 1950's, the Federal Republic became the strongest economic and military power in Europe outside the Soviet Union.

Not only the Soviet Union, Poland and Czechoslovakia but most, if not all, western and northern European countries (and even many Germans themselves who had learned the lesson of the catastrophic developments from 1914 to 1945) were somewhat comforted by the solemn German pledge of 1954 to renounce all atomic and chemical weapons. This pledge was accepted as a guarantee that Hitler's dogmatic anti-Communist and anti-Russian policy would not be resumed as a vehicle of a crusading and expansionist policy that would try to undo the defeat which Germany had suffered in World War II.

Outside the "special relationship" between Britain and the United States, no European people—and probably no people anywhere in the world—has felt so much sympathy for the United States in recent years as have the people of the German Federal Republic, and perhaps also many in the German Democratic Republic. This sympathy reached its climax among German conservatives when John Foster Dulles was secretary of state, and among German liberals and youth at the time of John F. Kennedy's presidency.

### A SHIFT IN POLICY

Strong sympathy for the United States has somewhat lessened in the last year. The

change is expressed not in official attitudes, but in a general uneasiness. A similar uneasiness has been felt in other countries and in the United States itself. It centers on the general trend of United States policy, which seems to be shifting from a Europe-oriented to a Far East-oriented policy, and to be oscillating between using America's gigantic firepower and air force, and public assurances of a sincere quest for peace. In an article about the United States, written in a very friendly and moderate spirit in the important *Suddeutsche Zeitung* of January 29, 1966, Herman Proebst complained that many Germans find it difficult to understand how the American "world power against its will" now acts in a way "which we can hardly make conform with our widely accepted image of America. . . ."

There is today a widespread anxiety among thoughtful pro-American Germans (and other Europeans) that the United States overestimates the importance of Southeast Asia. The United States, as they view it, shows a bellicosity which West Europe has come to fear and which has little relationship to the reality of the world situation as seen from Germany or France. The hastily called Honolulu meeting and the President's declarations there have increased German concern. To Germans, American policy seems confused and conceived without any previous consultation with European allies. Thus, the call of Secretary of State Dean Rusk—that every ally should carry as much as possible of the burden of the Far Eastern war as part of the general struggle between the Free World and the Communist world—appears to many as an unfounded oversimplification. It is felt to surpass similar oversimplifications proposed by Secretary Dulles in the early years of his tenure in office, in the most important foreign ministry post in today's complex world.

Thus more and more Germans have started to doubt the wisdom of present United States

policy. Liberal intellectuals and friends of the West are concerned because American policy, as it appears to them, contradicts the image of the United States as a nation opposed to militarism, dictatorship and armed crusades. As they see it, the United States seems to be trying to impose its will through its superior power on small and very weak peoples. Many Germans believe that such a policy is playing into the hands of Communist propagandists. The conservatives, some of whom are still doubtful about Western wisdom but expect American support against Poland and the Soviet Union, oppose current United States policy because they believe that American military power is in danger of losing itself in an Asian quagmire—in the wrong place and against the wrong enemy. In mid-February, 1966, Germans were as bewildered about the methods and goals of American foreign policy as Americans were. Many feared that the United States was paying too much attention to Southeast Asia, whereas it was willing to come to a tacit agreement—an informal detente—with Russia, accepting the status quo in Europe.

### EUROPEAN VIEW

Although many Germans are still concerned about the Russian role in Europe, many Europeans have become convinced that Russia (concerned with and deeply worried about domestic economic shortcomings) has for the foreseeable future abandoned plans for territorial expansion. In their opinion, for the present the Soviet Union is a status quo power.

On the other hand, the German Federal Republic appears to many Europeans as a potentially revisionist power; and they fear German attempts to upset the status quo established in 1945. Some internal German events have increased this fear. Many Germans misread the consequences of their defeat and the new facts of life after 1918; some may be misreading history again today. For example, in 1965–1966, the question as to whether the Treaty of Munich<sup>1</sup> (September, 1938) was still valid, was being earnestly discussed by German professors and experts on

<sup>1</sup> Editor's note: In late September, 1938, Germany, Italy, England and France concluded the Munich Agreement, granting the Reich 10,800 square miles of territory and 3,500,000 people in Czechoslovakia.



international law. That this question has become entirely irrelevant as a result of what the Germans did after Munich, that from 1939 on Germany aggression created a new context of international relations, is officially recognized by the Bonn government but not realized by all Germans.

### THE EASTERN FRONTIER

The German attitude toward the eastern frontier is another case in point. On all non-German maps in the West, the territory of the G.D.R., bounded by the Oder-Niese line, is marked as "Eastern Germany."<sup>2</sup> But even liberal German papers and German school books speak of it as *Mitteldeutschland* (Middle Germany), thus laying claim to Breslau and Koenigsberg which they still regard as Eastern Germany. In the fall of 1965, when the *Evangelische Kirche in Deutschland* (the representative body of the German Protestant Church), in a very restrained way questioned Germany's ethical and legal right to claim the eastern borders of 1937,<sup>3</sup> a storm of indignation broke against the authors. Officially, the Federal Republic not only aims at the unification of the German population of the Federal Republic and the G.D.R., which may one day become feasible, but regards as German the formerly German territory which is now in Poland.

In actual fact, these lands have been settled by Poles, to a large extent as a result of the wars which Germany started, first against Poland and then against the Soviet Union, and as a result of the way in which the Slav population was treated during the war. Yet all maps in the G.F.R. present the 1937 border as the legal border of Germany. The repeated assurances that the German Federal government thinks only in terms of a peaceful restoration are hardly compatible with reality. Actually, all Poles—Catholic and Communist—reject the possibility of restoring this area to Germany, and regard the formerly

German territory as vital to Polish existence. Poles also remember that between 1919 and 1939 the overwhelming majority of Germans regarded even the frontiers of 1937 as "unbearable," and longed for the territory they had lost in World War I. Some Germans still demand the restoration of the frontiers of 1914 and of the Sudetenland as the basis of a lasting peace.

The Federal Republic's uneasiness about its eastern borders is fully understandable, as is the longing of the Germans, the Koreans and the Vietnamese for reunification (and as was the similar Polish longing during the period from 1795 to 1918). Yet the two world wars, which brought so much misery to Germany's neighbors and to Germany herself, both started in the contest over Germanic-Slavic borders.

Even today, the Germans regard 1945 and not 1933 as the year of the German "catastrophe"—not the accession of Adolph Hitler to power, but his defeat in a war which he undertook with a firm faith that he could win a total victory over democracy and communism. Though many Germans concede that the National Socialist regime was evil, they regard May 8, 1945, not as a day of liberation from "evil," but as a debacle. There was no celebration in the Bonn Republic on the twentieth anniversary of the *Goetterdaemmerung*, though the collapse of May, 1945, brought the Germans in the Federal Republic unexpected liberty, human dignity and prosperity. On the other hand, the 150th anniversary in 1965 of Chancellor Otto von Bismarck's birth was officially celebrated, as if Bismarck's Prussian-centered and authoritarian Reich had not foundered in 1918 and completely collapsed in 1945.

There was, of course, a vast difference between Bismarck, the German leaders in World War I, and Hitler. The line in no way remained the same but represented a rapid progressive deterioration. Bismarck was satisfied with the acquisition of Alsace Lorraine, though even this relatively modest acquisition appeared to many contemporaries as a misdeed which would produce (as it did) fatal consequences for Germany and for Europe.

<sup>2</sup> See footnote, page 267.

<sup>3</sup> In a memorandum *Die Lage der Vertriebenen und das Verhaeltnis des deutschen Volkes zu seinen oestlichen Nachbarn* (The Situation of the Expellees and the Relation of the German People to its Eastern Neighbors). For excerpts see pp. 303 ff.

The German leaders in the war of 1914 expected vast annexations after victory. Yet their ambitions were far surpassed by the goals set by Hitler. Many forget today what unimaginable catastrophe a German victory in 1945 would have implied for all non-Germans, for the cause of man and of humanity, and ultimately also for German morality and the German intellect. Memories of two long wars explain the apprehensions about German aspirations, apprehensions which are still widespread in Europe.

As for German-American relations, twice in the twentieth century, Germany and the United States have fought one another. But today the situation is different. The Federal Republic represents the most promising development in German political life in the last hundred years. Geographically and intellectually, the center of German life has shifted from east of the Elbe, where Bismarck thought it had been firmly implanted, to the west, where it had been planted throughout most of German history. For the first time, leading Germans have become conscious of United States potentialities, which they woefully underrated in 1916-1917 and in 1941. Young Germans are studying the political structure and philosophy of the United States, and informative books on the United States have been published in the G.F.R.

Yet misconceptions about the recent past or emotions surviving from the recent past continue to stir and to confuse many minds. Surviving in West Germany are traces of the satanization of communism, which, together with the fanatical hatred of Jews, were the trademarks of the Hitler regime. Also surviving is the older tradition of looking down upon Poles and other Slavs. In the United States one of the most important misconceptions lingering from the 1930's is the fear of appeasement, the ghost of Munich.

In a rapidly changing world situation, appeals to the past may blunt the vision; historical situations do not repeat themselves. Hitler was unique. The context of international politics is today entirely different from that of 1938. In 1938, the United States and Great Britain were disunited. They were

materially and psychologically completely disarmed. They found themselves in the grip of perhaps the worst economic crisis of their history. Democracy and capitalism seemed unable to solve the problems of a modern industrial society. The "wave of the future" was, in the opinion of many, rising in the East (Berlin, Rome or Moscow) to submerge the West. Moreover, the United States was radically isolationist and to a large degree pacifist. All this has fundamentally changed. Today the United States and Britain are united. The United States is not disarmed, but more highly armed than any other nation is or has ever been. The democratic West does not suffer from an economic depression but is enjoying a long period of unprecedented prosperity.

But there is also another difference between the two periods. Hitler was an impatient man, having prepared a hasty timetable in order to subject the whole of Europe to the merciless dictates of the master race. Compared with him, Stalin was a cautious man, and his successors are even more cautious. China, too, in spite of its intemperate and primitive language, does not seek any direct involvement in adventures.

Germany, too, is changed. The Federal Republic, firmly implanted in the context of Western life, and geography, has built foundations (partly with American help) on which a German democracy is growing and transforming German life. This is a great and  
(Continued on page 307)

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*Although "the German development program has had its problems," as this economist points out, he believes that in offering aid to the developing nations, "West Germany is making an imaginative and effective effort. . . ."*

# Germany in the Underdeveloped World

By WOLFE W. SCHMOKEL

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IT HAS ONLY BEEN in the past decade that the problems posed by the juxtaposition of highly productive, expanding industrial areas—mainly in North America, Europe and the Soviet Union—with undeveloped, stagnating, largely agricultural economies in the rest of the world, inhabited by more than two-thirds of the world's population, have been universally recognized as problems on whose solution all hopes for a tolerable world order must depend. Development aid, whose origins lie largely in the national policy requirements of the United States in the immediate post-World War II era, has today been widely accepted, at least in theory, as a program calling for the mobilized efforts of all economically advanced countries.

This fact is highlighted by the growth of various international organizations devoted to economic assistance, such as the International Development Association, the Organization for Economic Cooperation and Development and various specialized agencies of the United Nations. It is also signalled by the entry into the field of economic development aid of a number of states which (unlike the two superpowers and the post-World War I owners of colonies) have few direct political interests in the underdeveloped world.

Chief among these new participants in this worldwide task is the German Federal Republic. In 1964, Germany's aid program surpassed that of Great Britain, and the Federal Republic became the third largest source of

economic assistance (after the United States and France) in the world. It should be pointed out, however, that its efforts in this field cannot be compared in terms of absolute figures with the multibillion dollar sums of the American aid program. It is well to remember that Germany's Gross National Product is considerably less than one-fifth of the American GNP, and that the Federal Republic's 1965 budget of approximately \$16 billion amounted to less than one-sixth that of the United States. Germany's economic capacity, and hence its ability to furnish development aid, while great, is certainly not unlimited.

How much development aid does Germany provide? This seemingly simple question is by no means easy to answer. Definitions of what constitutes "aid" are by no means identical in Germany and the United States, and certain features of German aid programs, to be discussed later—notably the close cooperation of the German government with private industry and voluntary groups in development efforts—make comparisons difficult. According to the figures of the Organization for Economic Cooperation and Development (O.E.C.D.), whose membership includes Western European countries, the United States, Canada and Japan, Germany's development aid from 1950 through 1964 totalled nearly 25 billion marks (DM), (some \$6.25 billion), including approximately DM 14.7 billion (\$3.675 billion) from public sources.

In 1964 alone, the Federal Republic paid out DM 1.897 billion (\$475 million) of public funds for bilateral and multilateral development programs, to which should be added nearly DM 1 billion (\$250 million) of private development assistance. In relation to Germany's economic capacity, its total aid efforts amount to approximately 0.9 per cent of its GNP, not far short of the 1 per cent generally recommended as a goal by development experts, and comparable to the share of America's wealth devoted to this purpose.

Such figures could easily be multiplied to the point of total confusion. Distinctions might be drawn between funds authorized, appropriated, allocated, and paid out, between grants and loans, between regular budgetary funds and such other sources of aid money as the counterpart funds accruing from the Marshall Plan—which are now largely devoted to aid purposes—and so forth. For purposes of this survey, however, it might be best to confine ourselves to the above figures as an indication of the order of size of the German contribution to the international development effort.

#### AD HOC RESPONSES

Historically, the Federal Republic's engagement in the development effort has three roots. First, there were export guarantees, whose primary object was to contribute to Germany's economic reconstruction by encouraging German businessmen to recover markets abroad, relieving them of some of the risk involved in credit transactions. These were first given in 1948. They had the almost incidental effect of enabling foreign economies, primarily those of the underdeveloped countries, to acquire German capital goods on easier terms. German authorities insist on considering such export promotion programs part of their aid effort.

In the second place, there was technical assistance, mainly the provision of German experts in various fields, which was undertaken in an essentially *ad hoc* fashion, and on a small scale, after 1953. In 1956, this enterprise was formalized and enlarged by provision for the training of foreign experts in

Germany and abroad and thus became the German Technical Assistance Program.

A third beginning was the steel complex at Rourkela in India, originally a wholly private undertaking by a German industrial consortium. After various vicissitudes, the federal government saw itself forced, in 1958, to come to the rescue of this ambitious project with public funds, in order to preserve German prestige and Germany's reputation for economic efficiency. Rourkela, with a total of \$450 million capital invested, is still the largest single German development project undertaken anywhere. It has become a highly efficient operation and has made a very considerable contribution to India's industrialization effort. The Rourkela experience was the forerunner of the German capital aid program, which was formally established in 1960, perhaps partly as the result of a good deal of American prodding.

German development aid, then, in its three aspects: capital aid, technical assistance, and export promotion—the distinction between these is always stressed in all Germany descriptions of their development program—grew up in response to *ad hoc* situations, prior to the emergence of clear objectives and what may be called a development philosophy. There has been, however, a great deal of discussion, both official and unofficial, on these subjects since then. Very briefly the German motives for, and expectations in, providing capital and technical assistance may be summarized as follows:

(1) Primarily, German assistance is designed to achieve economic, rather than political objectives. It is conceived of as a means to help countries whose economies have not achieved self-sustaining growth to break the "poverty cycle." Official statements reflect an awareness of the fact that prosperity and progress are indivisible—that the advanced, industrialized nations cannot hope to prosper indefinitely while two-thirds of the world becomes increasingly pauperized.

(2) Germany's self-interest is seen to be more directly involved in this problem than that of some other countries: Germany has to export in order to live. About one-fifth of

its national product is derived from foreign trade and 30 per cent of its exports go to the developing countries. If they prosper, they will become better customers. Their economic collapse would entail that of the German export economy.

(3) The Federal Republic does not pursue active political goals—alliances, or the extension of its political influence—with its development program. (It is noteworthy that it extends relatively large-scale aid to some of the more radical African countries, such as Mali, Ghana and Guinea, and that German development programs begun in the Arab countries and Tanzania were continued even after these countries broke diplomatic relations with Bonn last year.) Germany expects, however, that its development partners will not oppose vital German interests, i.e., that they will not support Germany's partition by recognizing the regime of East Germany headed by Walter Ulbricht. In view of the weight of the developing countries in the United Nations, this is considered to be an important aspect of German foreign policy. A 1961 government declaration specifically denied that German aid sought to influence the policies of recipients, but went on to state: "We shall not, however, disregard the fact that the German people would not understand were we to enter into a development partnership with any nation that failed to recognize our right to self-determination." It is worth noting that Bonn has so far been successful in this limited political objective: no country in the developing world has yet extended full recognition to the East German regime.

### MILITARY AID

Recognizing that any attempt to intervene in third world politics via the aid route is fraught with danger, and that Germany's political position is so weak that she cannot afford to take sides in conflicts between developing nations, and thereby to make enemies, the Federal Republic has been very hesitant to engage in military assistance efforts. Revelations in 1963–1964 that some such commitments, involving primarily train-

ing missions, had been entered into with African countries drew parliamentary criticism. The policy fiasco that arose in 1965 out of Germany's military aid to Israel, undertaken furtively at the behest of the United States government, led most of the Arab countries to break relations with Bonn and nearly—but not quite—to Egypt's establishing relations with East Germany. This no doubt reinforced German diffidence about becoming involved in this kind of activity, and especially reinforced the official policy to avoid military aid commitments in areas of tension. German military aid at any rate has been almost negligible, involving in 1965 a budget of \$41.8 million for training and light equipment for internal security. Recipients include Nigeria, Ethiopia, Guinea, the Sudan, Madagascar and Libya.

That there is a good deal of substance behind German protestations that its development aid is disinterested is also attested by the large share of its development budget devoted to contributions to multilateral development programs and organizations. The Federal Republic, though not a United Nations member, is one of the largest contributors to its Technical Assistance Program, and to other United Nations programs active in the development field, such as the Food and Agricultural Organization (F.A.O.), and the World Health Organization (W.H.O.). It contributed 9.6 per cent of the loan funds of the International Development Association (I.D.A.), and has a substantial capital share in the World Bank, which also raised more than \$100 million in loans on the German capital market. The Federal Republic also participates in the International Monetary Fund, which provides backing for the world's currencies, and in the International Finance Corporation. It provides 34 per cent of the \$781 million development fund of the European Economic Community, which supports development projects in the African states associated with the Common Market.

The ratio between German multilateral and bilateral aid payments is approximately 1 to 5, as compared with an average 1 to 9 ratio for all Western development aid. The



difference in these figures reflects, in part, the fact that Germany, unlike the post-World War I colonial powers—whose aid efforts tend to concentrate on bilateral projects in their former colonies—has no special obligations or ties to any countries in the developing areas; beyond that, however, it indicates that West Germany is less disposed to view aid as an instrument of national policy than the United States, whose world power responsibilities of course put it into an entirely different position.

SCATTERED EFFORTS

For these reasons, also, German technical and capital assistance has been widely scattered, rather than being concentrated in certain “sensitive areas.” Development efforts have been or are being pursued in more than 80 countries in Asia, Africa, Latin America and Europe (where Greece is the main recipient). Asian countries have received the largest share of German capital assistance, with India, which until 1963 received 57 per cent of all German bilateral capital aid and for whose second 5-year plan Germany provided the second largest source of foreign capital making it by far the largest recipient, followed by Pakistan. There is now a tendency to spread German capital loans and grants more evenly. Amounts disbursed for projects in Africa and Latin America have grown considerably between 1961 and 1964, while the Asian and European shares have declined. In terms of net disbursements and commitments, German capital aid in 1964 was distributed as follows:

<i>Disbursements (Net)</i>	<i>Commitments</i>
Africa: 16%	Africa: 35%
Asia: 62%	Asia: 48%
Europe: 9%	Europe: 11%
Latin America: 13%	Latin America: 6%

The large gap between commitments and payments to Africa is explained by the difficulties and delays encountered by capital projects in this economically most backward region. The German belief that in such areas technical assistance must precede capital assistance—i.e., for example, there must be a

training program for skilled workers before there can be a steel mill, is reflected in the breakdown of the 1964 figures for technical assistance, of which Africa received the largest share (40 per cent), followed by Asia (31 per cent), Latin America (25 per cent), and Europe (4 per cent). There has been some criticism in Germany of this “watering can” approach to development aid, which spreads German efforts widely and thinly all over the world. But in view of the competing claims and needs of so many countries it is hard to see what other course the Bonn government could follow.

Because the Federal Republic, unlike such countries as Britain and France, has no strong colonial ties to consider in its efforts to make each development mark count, and because it is less concerned with political considerations than the United States (this is one of the advantages of being small) it can apply stringent economic criteria in its choice of projects to be supported with German funds, and can avoid almost completely the pitfalls of inadequate planning, spending for prestige objects without real economic value, and subsidization of corruption and inefficiency. German aid planners early abandoned the American concept of lump-sum “framework commitments” to countries and have tended to grant assistance only for carefully devised individual projects, drawn up in the country applying for a German loan or grant. These are then equally carefully investigated as to their feasibility and potential development contribution before a commitment is made.

This detailed examination is the responsibility of the Reconstruction Loan Corporation, an independent public agency which is the operating arm of the German capital aid program. The main considerations determining whether a project should be supported with German funds are its potential contribution to the Gross National Product, and the ability of the local government or group undertaking the project to run it efficiently. In general, German capital aid is in the form of long-term, low-interest loans (average of four per cent). It is apparently felt that the

obligation to repay such loans eventually will exercise a certain pressure towards the intelligent choice and efficient operation of development projects. In addition, German development funds are "stretched" in this way.

### **INTEGRATED PLANNING**

German technical assistance is characterized also by careful selection of projects and attention to their long-range effectiveness. Thus, governments concluding agreements for training programs bind themselves to find jobs for the newly-qualified personnel and to report to the German government on their success in doing so. The results are encouraging: only 15 per cent of the skilled workers and other experts trained in German technical assistance programs were found in 1965 to work at jobs other than those for which they had been prepared.

German development authorities frown on the concept of general budgetary aid. Actual payments are made as a rule by Bonn to the suppliers of goods and services for German projects, without passing through the recipient countries' treasuries. This, of course, provides an important safeguard against any diversion of German development aid to purposes other than those intended.

Although practically all German aid is thus "tied" to projects, the greater part of it is not "tied" to German currency, i.e., there is no provision that goods and services for a project must be bought in Germany. This fact has led to a good deal of complaint from the German business community, which points to the general American practice of excluding foreign suppliers, and demands that similar preferences be provided under the German program. In reality, they have little to complain about: as much as 80 per cent of German development aid funds flow back to Germany in the form of orders anyway. This high figure is explained, in part, by a natural tendency on the part of German planners to choose projects which German industry is particularly well-qualified to carry out and, no doubt, by a tendency of recipients to favor German bids in case of doubt, when a project is carried out with German funds.

Aside from careful planning and supervision of projects, reflecting a kind of cost-consciousness that is perhaps too easily lost as the sums of money dealt with increase, Bonn's development thinking is characterized by a great emphasis on integrated planning, coherence and coordination. Thus efforts are made to cluster German projects of various kinds, in order to modernize the whole economy of a region and to avoid tensions that might arise as the result of uneven development. For example, the classical mistakes the Germans are trying to avoid are the introduction of modern public health programs—which tend to increase population growth—without simultaneous efforts to create new jobs, or the provision of educational facilities without provision of opportunity for the newly-educated to apply their knowledge and skills. As an example of integrated planning, for example, the German peace corps has been training agricultural specialists in the region around the Rourkela steel works, to close the gap between a highly efficient, modern industrial enterprise—whose workers enjoy a relatively high standard of living—and an immediately adjacent agricultural population whose archaic methods of tilling the soil condemn them to continuing misery.

Other very attractive features of the development program of the Federal Republic include an ability to "think small" and a continuing emphasis on genuine partnership with the recipient governments in the development effort. Examples of the first of these aspects are the program under which, through 1964, DM 327 million were committed to local development banks for loans to small enterprises and the contemplated "occupational assistance" which would provide small loans to help graduates of German technical schools who want to establish independent businesses. There is also the privately-sponsored Economic Development Corporation which draws its capital from German small and medium business and makes loans on the order of \$1,000 to \$2,000 to entrepreneurs in the developing countries.

The emphasis on partnership is indicated

even by the name of Bonn's "aid ministry"—the ministry of economic cooperation. All German projects require that the recipient country contribute part of the expenses and effort. In the case of capital aid, this means generally that only the required foreign exchange is provided by Germany, while the government of the recipient country bears local costs: wages, local materials, and so forth. In technical assistance projects a similar division of responsibility is usual: In the case of a vocational training institute, for example, the local government may be required to provide land and buildings, while Germany furnishes and pays for the instructors and equipment.

In all cases Bonn insists that a project must become self-sustaining in a definite period. All projects provide for the training of local "counterparts" to take over the job of the German experts, whose main role is to make themselves dispensable as quickly as possible. The projects themselves, moreover, are always planned and administered by the recipient country. The Bonn ministry, which has no field staff in the development countries, confines itself to checking, approving and paying its agreed share for these enterprises—although it may suggest to a government that it would consider a certain kind of project worthwhile.

It may be that Germany's experience in rapidly rebuilding a totally shattered economy from the ruins of World War II has given her development aid its characteristic orientation. In 1945, Germany was an underdeveloped country in many ways. Her industry had been largely wiped out and her agriculture—which had certain characteristics of traditional agriculture everywhere: that is, small units and a high ratio of labor to land—had been reduced by a lack of fertilizer and equipment to the point where it was totally incapable of feeding Germany's population. What brought about the country's rapid rise from these conditions to a position of European economic leadership was not so much massive infusions of foreign capital (the approximately \$4 billion in European Recovery Program aid must be set against

the considerable reparations in kind Germany paid in the late 1940's), but by the existence within her boundaries of one of the world's great reservoirs of skilled labor and of economic *esprit*. Her traditions, institutions and ways of thinking were oriented towards economic success—Germany was, in short, a modern society.

Germany's development planners, perhaps with this experience in mind, tend to believe that the poverty of much of the world today must be overcome in the first place by the development of human resources and attitudes. Without these, capital aid will fail. In India, for example, an estimated \$10 billion is "invested" in jewelry, hoarded gold and in other totally unproductive ways. A change in attitudes would make this gigantic sum, larger than all the foreign aid India has received, economically productive. Similarly, changed attitudes and social structures would mean that Latin America's billions of investments in Europe and on Wall Street could be made to work for the economic progress of Latin America.

#### TECHNICAL ASSISTANCE

Perhaps because of these considerations, Germany's technical assistance programs constitute a larger part of her development efforts than is the case with other aid programs. In 1965, expenditures for technical assistance amounted to almost one-third of the total aid budget. German technical assistance is without question the most successful aspect of the country's development effort and has been stressed partly for this reason. A large part of it is devoted to the training of skilled workers, engineers, farmers, administrators and so forth, both in Germany and in the developing countries. In these countries, no less than 169 training centers had been set up or projected by the end of 1964. Germany, which has somehow, in the industrial age, preserved a tradition of pride in skilled manual labor and has possibly the finest vocational training system anywhere in the world, has a particularly valuable contribution to make in this field. In addition to the trainees in German institutions abroad, there

were no less than 15,000 trainees from the developing countries in Germany in 1964. More than 5,000 of them were supported by public funds, both federal and state, while the expenses for the others, averaging DM 500 (\$125) per individual per month were borne by German private industry, which also invested an estimated DM 100 million in creating training places for them. The trainees' welfare, social and cultural life, and so forth, is the concern of a number of private associations, supported jointly by government and industry, among which the most important is the Carl Duisberg Society which maintains dormitories and club houses, provides for German language courses, conducts meetings and seminars in which the trainees' experience is evaluated, and concerns itself with a multitude of personal problems and questions. German aid experts emphasize a need for a middle class, based on handicrafts and small business, as a precondition for the development of economic society. Their training program is designed to meet the urgent need of developing countries for middle level manpower. In addition, aid funds support more than 4,000 students at German universities. Over the last few years, there has been a tendency to shift the locale of these educational efforts to the developing countries, where training can be more specifically tailored to local needs and the cost per trainee or student is lower. This effort is reflected in the increasing numbers of German vocational institutions, model shops and similar projects, in all continents and also, for example, in the program of federal scholarships for students at African universities.

### **ROLE OF INDUSTRY**

The close cooperation between industry and government in the training program is merely one instance of the way in which Bonn's official development policy strives to associate various institutions and groups in the total aid effort. Industry's contribution is by no means limited to providing trained manpower. Bonn's development doctrine holds that, in general, private investment is preferable to public capital aid, precisely be-

cause it considers that an economic society can be built only on the profit motive and that only profitable investment can spur independent development. Thus various efforts have been made to encourage German foreign investment, particularly in joint ventures with local capital, thereby adding to the amount of capital flowing into the development countries. An important aspect of this policy can be seen in the investment agreements which have been concluded with 25 countries. They provide security against nationalization for a term of years and guarantees of fair compensation in case of nationalization thereafter, as well as provisions for the transfer of profits.

Bonn moreover guarantees German investments in the developing countries, and even guarantees a reasonable profit against expropriation and other political risks; a 15 per cent tax deduction is allowed for such investments. Nevertheless, German private investment in the developing areas remains disappointingly small—an estimated DM 2.5 billion (\$625 million). A basic obstacle to its rapid expansion is the fact that profits are higher in the developed countries, except in the realms of extractive enterprises, notably oil. Another obstacle is the cautious attitude of German businessmen, whose considerable investments abroad were confiscated in two world wars. It should also perhaps be pointed out again that Germany's capital base is small compared to the United States.

In addition to industry and business, the German development effort enlists the aid of various other groups and agencies. The various state governments provided a loan of DM 500 million for development purposes and contribute greatly to the various training programs. For the most part, they support projects within Germany, although Wuertemberg-Baden maintains a training center in Tunisia. The personnel pool of the state administrations is nonetheless indispensable to the German technical assistance program abroad, since under the German constitution the states alone administer education and most government experts in such areas as agriculture, forestry and small business are likewise in their employ.



Municipal administrations, also, provide scholarships and financial support for industrial and administrative trainees. The labor unions have been active primarily in training union leaders from the developing countries and providing financial support for labor organizations in the development areas. German universities have concluded partnership agreements with universities in, for example, Afghanistan and Vietnam, providing for the dispatch of German professors to these institutions and post-graduate training in Germany for Afghan and Vietnamese lecturers. Private welfare organizations have been aided with government funds in carrying out work in developing areas. Catholic and Protestant churches likewise have received government support (DM 54.5 million in 1964) to supplement funds raised by them (DM 64 million in 1964) for hundreds of health, education and agricultural projects in the developing areas. This list could be considerably enlarged.

One hoped-for effect in creating this close partnership between the several governmental levels and private agencies is certainly the creation of wide public understanding and support of the development effort. The same aim has been pursued by the well-conducted publicity program of the ministry of economic cooperation, which publishes exemplary material, including a monthly on development problems and a series of monographs. This bid for public support is seconded by the private German Foundation for Developing Countries, which conducts forums and seminars and seeks to develop a dialogue between people from the developing areas and German leaders and experts. Polls on the subject indicate that such efforts have succeeded in creating increasing popular support for the development program. Well over half of the respondents approve of it and less than one-third are opposed. Support is particularly strong among younger and better educated Germans. Politically, there is remarkably little opposition to the development effort. All three parties support it, with virtually no distinction in emphasis.

#### THE G.D.S.

One effort which contributes to making the

German aid program a truly national one must be given more than fleeting attention: the German Development Service (G.D.S.), counterpart of our Peace Corps, typifies all the best features of the German approach to development aid.

The organization is sponsored jointly by the German government and a consortium of interested private groups. Its volunteers are selected for their attitudes and ability—only 10 per cent are students or university graduates; the great majority have completed an apprenticeship in such diverse trades as plumbing, bricklaying and automobile mechanics, to mention a few. After a government requests German volunteers for a given project, that project is carefully evaluated by the G.D.S. as to its feasibility, cost, and willingness and ability of the local authorities to cooperate, especially by providing capable people who will be trained by the German volunteers to take over their jobs.

Once a project is approved, volunteers with the required vocational qualifications are called up and given several months training in special skills required in the area, in the language of the country and in civics. They are then sent out to serve on the project, generally for two years. In addition to their social security and health insurance benefits, they receive merely a living allowance, whose amount depends on local conditions, and, on completion of their service, a sum of \$50 for each month of service completed.

So far the response to the G.D.S. from among German young people has been spectacular. The first projects got under way in 1964 and by the end of 1965 German volunteers were serving in 16 countries in three con-

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*Describing life in West Germany today, this observer notes that "The changes in the cultural and social climate are almost unbelievable."*

## Changing Culture in Germany

By FELIX E. HIRSCH

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ON MAY 8, 1966, 21 years will have passed since VE-Day. On that day, Germany was one gigantic heap of rubble, her people in despair, her economy almost at a standstill, her halls of learning closed. Only the churches were crowded—with parishioners searching for divine guidance in a world of misery. How different is the impression one gains now!

The changes in the cultural and social climate are almost unbelievable. Cities which were annihilated by the war—Nuremberg, Würzburg and Darmstadt are striking examples among hundreds of others—have risen from the ashes more beautiful than before. Stores everywhere are crowded with customers who buy costly commodities with little hesitation, since unemployment has disappeared and salaries and wages are rising with inflationary speed. City streets and *Autobahnen* are glutted with cars; at vacation time, drivers on the highways leading to the Alps and Italy need a lot of patience because queues extend for miles and traffic is often at a virtual stand-still. The Volkswagen, a decade ago considered to be so precious, has long since been replaced by the Mercedes as a status symbol and the affluent citizens have "graduated" at least to an Opel Kadett or a Volkswagen 1500. New industries have sprung forth in a tempo that can be called truly "American." However, generally speaking, mechanization has not yet progressed so far as in the United States.

Much more is happening in Germany these

days than meets the eye of a casual observer. Another generation is beginning to take over. In politics, the recent crisis in the leadership of the Christian Democratic Union illustrates the point. The nonagenarian Konrad Adenauer was at last pushed out of the positions of power to which he clung so tenaciously by Ludwig Erhard, almost a septuagenarian himself. A similar challenge of capable young men to the older generation is becoming visible in many other spheres. For instance, those older judges who had been active under the Nazi regime, but had escaped close scrutiny of their dubious conduct, are gradually retiring, and men with unimpeachable records are taking their places in the courts.

Cases of university teachers who had compromised themselves by their subservience to Hitler, but had been astute enough to hold on to or regain their chairs afterwards, are also becoming rarer, as many have reached, or will soon reach, the status of professor emeritus. The affair involving the historian Götz von Pölnitz, who was to head the new Bavarian university of Regensburg, is rather an exception; in this case some of his colleagues and public opinion did not rest till he relinquished this position of trust for which his Nazi past disqualified him.

But while the number of academic scandals has dwindled, it is obvious that the whole power structure at the universities is radically changing. This is important because in Germany the *Herr Professor* is still "tops" in

society. Just one illustration: Chancellor Erhard, the most powerful man in the country, is still addressed by everybody reverently as "Professor Erhard," because he taught at the School of Commerce in Nuremberg until 1942 and later on in Munich for a short time. It is becoming increasingly difficult to secure new talent, for so many able scholars of the middle generation died on the battlefields or in the concentration camps or went into exile. Therefore, often men in their thirties must be put on the lists of three candidates, from which the ministers of education traditionally select the new full professors. Additional professorships have also been created. In some of the eleven states this has lately led to real difficulties; in Bavaria, about one-quarter of the chairs were or still are vacant. Untried but promising young men, who normally would remain lecturers or assistant professors for another decade, thus gain an opportunity to rise rapidly to the top. In another five or certainly ten years, many, if not most, faculties will be dominated by professors whose minds were never exposed to the Nazi philosophy, because they were too young even to serve in the Hitler Youth; to them Joseph Goebbels and Heinrich Himmler are merely names in history books.

It has been my good fortune to become acquainted with many of these younger scholars and graduate students, especially in Heidelberg and Karlsruhe. Most of them seem to be immune to the virus of nationalism that was infecting the universities in the 1920's. Of course, this young generation hopes that some day Germany will be reunified, but not by force of arms. Many of these students have found ways to visit their brethren in the East. Thus they know about life under Walter Ulbricht's grim rule. On the other hand, they also distrust the patriotic oratory of their elders in the West and are convinced of its shallowness and often downright insincerity. But, at this point, nobody has a patent solution to crumble the Wall.

The basic outlook of the younger generation is less German than European. Most young Germans have traveled far in their Volkswagens. Last summer they were in

Greece or at the North Cape, this spring they will go to Spain or southern Italy. Next year, maybe, they will get an American fellowship. They hotly debate (and usually condemn) United States policy in Vietnam—which they cannot understand—and intervention in the Dominican Republic, but they never cease to admire the United States, its great traditions, its modern literature and its technological leadership. Anti-Americanism has few recruits in West Germany.

Political opinions in academic circles are formed by weekly journals rather than by the newspapers, although many subscribe to *Frankfurter Allgemeine Zeitung* or *Welt*, the two most distinguished national papers of West Germany. Students and professors read *Die Zeit* and *Der Spiegel* from cover to cover and appreciate their often caustic critical comments on the German scene and on world affairs. Konrad Adenauer, Franz Joseph Strauss (the boss of the Christian Social Union in Bavaria and controversial former minister of defense) and other conservative politicians may despise these journals which have been disrespectful toward them so often. Yet these two weeklies and, to a lesser extent, a few well-edited and outspoken semireligious weeklies such as *Christ und Welt* (Protestant) and *Rheinischer Merkur* (Catholic) exert an enormous influence on the thinking of the German intelligentsia and especially its younger segment.

It is interesting to observe that the student organizations which are affiliated with the three major parties have had many conflicts with the older politicians who still control the party machines and who resent criticism from "immature" elements. While generalizations are always dangerous, the younger academic generation seems to be somewhat left of center; probably a majority favors the Social Democratic Party on principle. When Günter Grass, the celebrated author of *Tin Drum*, gave his rather unorthodox electioneering talk for the S.P.D. last summer, Heidelberg's largest hall, the *Stadthalle*, was so overcrowded that the proverbial pin could not have dropped to the floor. The enthusiasm for Mayor Willy Brandt as standard-bearer

was much less ardent; many thought he was a failure. If the S.P.D. nominates a more fiery, more brilliant, more convincing candidate for chancellor in 1969, he will have the younger generation on his side. Nobody needs to fear that this youth will turn to fascism, unless there is a new depression of disastrous dimensions.

## OVERCROWDING

The cultural climate in West Germany is to a large degree controlled by the universities. These are in a process of gradual transformation. Many time-honored traditions do not fit the realities of today. The universities wrestle now with the problem of overcrowding, often in vain. When I studied in Heidelberg, there were about 2,500 students; today the figure is approaching 12,000. This increase not only requires more study space and a much larger faculty; it also demands a reorganization of the faculty itself and a revision of study methods. For example, the philosophical faculty in Heidelberg consists now of about 60 full professors. How can such a large group conduct its business in its traditional style, without administrative officers to handle the details?

At some institutions created since the war, notably at the recently opened Ruhr University in Bochum, the departmental organization, American style, has been introduced, because faculties including a dozen or more fields of learning have become too unwieldy. The growth of the faculties has been especially rapid in states with rich financial resources like North Rhine-Westphalia. But in a less wealthy state such as Lower Saxony, the famous old university of Göttingen has suffered. According to *Die Zeit* of February 22, 1966, there were only two full professors of modern German literature available for 1,100 students of Germanistics, and 500 students of law were sitting in exercises for beginners with one professor! This has frequently led to untenable conditions. Harassed professors and lecturers can give but little time to students; the close relationship which an earlier generation enjoyed with its teachers has largely disappeared.

Another change is the trend toward rigid structuring of the student's progress through the university. An earlier generation enjoyed a golden freedom, undisturbed by any rules and regulations. Today, the student's choice of courses is often influenced by strictly practical considerations. Beyond this, he spends an inordinate amount of time on academic routines. He climbs from *Pro-Seminar* to *Seminar*, then through examinations to the *Oberseminar* and, if all goes well, to the *Doktoranden-Seminar*. It is not unusual to come across talented students who are in their fourteenth semester and who have not yet finished their dissertations.

Conditions are especially alarming in the scientific and medical institutes. Work space in their laboratories and clinics is so limited that qualified students often must wait a semester or more before they can be accommodated. Pressure is increased due to the fact that West Germany today attracts many thousands of foreign students, especially from the nonaligned new nations in Africa and Asia and they, too, must be given fair consideration. For example, in Karlsruhe, with its great tradition in chemistry and technology, foreign students number about 900 in a total student body of 6,000; in Heidelberg the proportion is similarly high. Generally speaking, scientific experimentation has again reached high levels of attainment in West Germany, but the most notable research organization, the Max Planck Society, feels increasingly hampered by inadequate financial support, i.e., inadequate for the magnitude of the projects in progress.

Salaries for the younger scientists are not low in German terms, but they are far below American standards. This has led many promising physicists, chemists and engineers who have not yet established deep roots in their homeland to look for greener pastures abroad, especially in the United States. This constant drain poses a very serious problem for German research institutions.

At one time, the German historians enjoyed great respect; about the turn of the century, some of the leading American scholars went to German universities for their advanced

studies. World War I brought about a considerable change of attitude, and since the Hitler era the German historians, as a group, have been held in very low esteem in the United States. Actually, the finest of the German historians in the first third of our century, men like Walther Goetz, Otto Hintze, Friedrich Meinecke and Hermann Oncken, were genuine liberals, even though one or another of them turned toward nationalism under the impact of the lost war and the peace treaty of Versailles. But none of them accepted the tenets of National Socialism. In fact, Hermann Oncken, the country's leading political historian, was rudely dismissed overnight from his chair at the University of Berlin, because he dared to criticize the Hitler regime openly. Some lesser lights, however, were ready to support Hitler in his vulgar misrepresentations of history. Having learned their lesson, after the war many German historians tried to avoid all contemporary topics.

In July, 1949, when I spoke at the University of Heidelberg about Gustav Stresemann, the leading statesman of the Weimar Republic, the chairman of the history department said in his introduction that I was breaking a taboo; one did not discuss a topic of recent history at a German university. Many of his colleagues were not only intimidated, but had obviously realized after 1945 that they lacked the proper detachment to come to grips with such issues. Therefore, they left most of this disagreeable task to English and American scholars who had easy access to captured German diplomatic documents. In the 1950's, however, interest in *Zeitgeschichte*, i.e., contemporary history, began to increase among German scholars. Nevertheless, many instructors in the secondary schools continued to overlook in their classes unpalatable facts of the Hitler tyranny; after all, quite a few history teachers in the *Gymnasien* had been ardent Nazis themselves and were afraid of the searching questions their pupils might ask them. By about 1960, a growing number of anti-Semitic excesses had so alarmed public opinion that the ministers of education recognized the urgent

need for intensive teaching of twentieth century history at the university level and in schools. Since then *Zeitgeschichte* has come into its own.

### A HISTORICAL REAPPRAISAL

It is to the credit of the German historical profession that it is now reappraising the whole century since Bismarck unified Germany "with blood and iron." The most important controversy has centered around the origins of the first World War and the German war aims, subjects that seemed to have been settled long ago. About four years ago, a historian of the middle generation, Fritz Fischer of Hamburg, published an enormous tome entitled *Griff nach der Weltmacht*, i.e., "Grabbing for World Power" (Düsseldorf: Droste-Verlag, 1961); since then, this has been brought out in somewhat revised editions. The volume, about 900 pages long, is not a literary masterpiece. But it is based largely on hitherto unknown documents from the East and West German and the Austrian archives. Fischer puts much of the blame for the outbreak of the first World War on the imperial chancellor, Theobald von Bethmann Hollweg. He makes this philosopher-statesman appear as a spokesman of unquenchable German thirst for world domination.

The historical profession has not been the same since this blockbuster of a book was published. Battle after battle has been fought about Fischer's thesis, with a ferocity unusual in the halls of learning. In the meantime, the dean of German historians, Gerhard Ritter, has presented a most impressive reassessment of Bethmann's role as wartime chancellor in the third volume of his *Staatskunst und Kriegshandwerk* (Munich: Oldenbourg Verlag, 1964). Karl Dietrich Erdmann of Kiel, president of the German Historical Association, a moderate spokesman of the middle generation and an authority on twentieth century history, has also corrected Fischer's verdict substantially, and so have other experts. Nevertheless, I believe Fischer has rendered students of history a real service by raising pertinent questions,

even though he has vastly overshot his mark.

While the argument about the origins of the first World War has thus been reopened and may go on for years, few Germans doubt Hitler's essential responsibility for the outbreak of the second World War. A. J. P. Taylor's startling negative thesis on the subject presented in his tour de force about *Origins of the Second World War* (New York: Atheneum, 1962) has been read by most German historians with amazement; he has not convinced them by his clever argumentation. In all these discussions the three leading German historical journals have played an important part: *Historische Zeitschrift*, *Geschichte in Wissenschaft und Unterricht*, and *Vierteljahrehefte für Zeitgeschichte*. They represent high standards of scholarship and can stand comparison with the historical journals of other great nations.

#### GERMAN PUBLISHERS

While this type of scholarly publication and the weekly journals of opinion are flourishing, the more reflective type of general monthlies and quarterlies is in a downward trend. Only four distinguished journals of this character have survived from the early postwar years when they were much more widely read. They are: *Der Monat*, founded by the able young American writer Melvin Lasky, *Frankfurter Hefte*, *Merkur*, and *Neue Rundschau*. The editorial board of the latter includes Golo Mann, Thomas Mann's son, one of the most brilliant historical writers and scholars in Germany today, who shared his father's exile and taught in the United States during the Hitler era. Golo Mann edited the new version of the *Propyläen-Weltgeschichte* (Berlin: Propyläen-Verlag, 1960-1965, in 12 volumes), the German counterpart of the Cambridge Histories.

German publishers have reestablished their traditional preeminence in the production of such standard reference works. Greatly enriched new editions of *Die Religion in Geschichte und Gegenwart* (Tübingen: J. C. B. Mohr, 1957-1965, in seven volumes) and *Das Staats-Lexikon der Görres-Gesellschaft* (Freiburg: Herder, 1957-1963, in eight

volumes) offer important contributions in these fields. These two sets are indeed representative of the best in Protestant and Catholic scholarship respectively.

German publishers are as enterprising as ever, with high standards of excellence. All the literary classics of earlier generations have reappeared in attractive editions. The great masters of the twentieth century, Gerhart Hauptmann, Thomas Mann, Rainer Maria Rilke, Hermann Hesse and, most recently also, Bertolt Brecht, have been given their due in comprehensive collections. There are also many publishers who offer scholarly and literary titles of high merit at low cost.

No discussion of the cultural climate in Germany would be complete without some words about the religious situation. While Protestant theology suffered gravely when such luminaries as Karl Barth and Paul Tillich emigrated in the 1930's, the church itself is very much alive. Persecution of the churches in the Third Reich turned out to be a blessing in disguise. At last, the Protestant church ceased to rely on and to be subservient to the state, as it had done ever since Martin Luther's time. A new vitality, a new depth of religiosity, was gained in the struggle of the Confessing Church against the pagan forces of the so-called Nordic race. The men who led in this brave fight are now gradually retiring from their offices. At Easter, 1966, the venerable Bishop Otto Dibelius—at 85 still the dominant figure of German Protestantism—was to turn over his office as head of the Berlin-Brandenburg diocese to Präses Kurt Scharf. This is a key position of high political significance, because this diocese embraces areas on both sides of the Wall.

Much has been written in recent years about the controversial role played by members of the Catholic hierarchy during the Hitler regime. The record of the leaders of the German episcopate before and during the Second Vatican Council is certainly a more inspiring topic. It is of great significance that the two German cardinals, Joseph Frings (Cologne) and Julius Döpfner (Munich), as well as Cardinal Augustin Bea, a German



Jesuit who now heads the Secretariat for Promoting Christian Unity, were always in the forefront of those forces that struggled valiantly for the *aggiornamento* of the Catholic Church, which Pope John XXIII had envisioned.

I sense also a new attitude toward the tragedy of the German Jews. In 1945, people began to realize the enormity of the crime perpetrated on millions of innocent people, but did not accept a moral coresponsibility. This situation improved after the moving address given by Federal President Theodor Heuss in 1952, at a memorial in the concentration camp Bergen-Belsen, when he admonished his countrymen to face the truth and to recognize the magnitude of this organized inhuman brutality. More recently, many signs point to a deeper appreciation of the Jewish contribution to German civilization. The great exhibition in Cologne which was devoted to this topic under the title *Monumenta Judaica* in 1963-1964 is perhaps the best example of these efforts. Even more touching is a volume of essays which was recently published by Annedore Leber, widow of the Social Democratic leader who was executed after the sad failure of the uprising against Hitler in 1944. The book has the thoughtful title: *Doch das Zeugnis lebt fort* (But the testimony lasts). Outstanding German professors like Walter Bussmann (Free University) and Franz Böhm (Frankfurt) and several other scholars and writers have contributed essays; they make the reader nostalgic for a vanished era of German-Jewish symbiosis. Such books and such exhibitions, I believe, should weigh more heavily than the excesses of stupid teenagers or adult screwballs in some small town. It is not likely that anti-Semitism can be revived in Germany, especially since less than 30,000 Jews are left in the Federal Republic.

### THE ECONOMY

At the end of the second third of the century, German society looks very different from what it had been at the conclusion of the first third. Gone is the Prussian aristocracy which had retained a powerful posi-

tion in the Weimar Republic, due to the prestige of President Paul von Hindenburg. Of the old industrial leadership, the names of Siemens and Krupp are still around. But otherwise the managers, able and relatively unknown specialists, prevail in the big combines and the bank corporations. The social contrast between the upper bourgeoisie and the common man is less pronounced than it was at the end of the depression. The workman enjoys good wages. In late February, 1966, a new agreement was reached in the metal industry which sets the pace for the whole economy. The 2,900,000 metal workers received an increase of 6 per cent, and their weekly hours of labor are to be reduced to 40. Kurt Schmücker, the federal minister of economics, denounced the agreement with its clearly inflationary connotation, but nobody listened to him, although the German "economic miracle" shows many signs of strain. At a time when unemployment is down to one-tenth of one per cent, industrialists cannot afford to rock the boat by resisting the demands of the trade unions. For there is a limit to the importation and profitable use of labor from abroad. If anything is fundamentally different in the social picture of 1966 compared with 1933, it is the fact that today 1.25 million foreign workers

(Continued on page 299)

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**Felix E. Hirsch**, a former political editor of the *Berliner Tageblatt*, came to this country in 1935, served from 1936 to 1954 as professor of history and librarian at Bard College and, since then, at Trenton State College. Twice Professor Hirsch served for a semester as a visiting professor of history, in 1962 at the Technical University in Karlsruhe, Germany, and in 1965 at the University of Heidelberg, his alma mater. He has written widely on historical and political topics. The Canadian Institute of International Affairs issued a study of his on *Germany Ten Years After Defeat* in 1955; a book of his on *Gustav Stresemann, Patriot and European* was published in Germany (Göttingen: Muster-schmidt-Verlag, 1964).

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*"In spite of West Germany's prolonged period of economic expansion, affluence, and full employment . . ." this economist says, "the haunting spectre of two world wars and their aftermath of financial chaos and economic ruin remains. This indelible imprint left upon at least two generations of Germans easily translates the mere threat of inflation or isolated price increases into a sensitive political issue."*

## The West German Economy

By ANTHONY RADSPIELER  
*Economist, Robert Nathan Associates, Inc.*

WEST GERMANY'S economic progress over the past 15 years reveals a remarkable growth rate, with an average in real terms of more than 7 per cent annually. For the 10-year period, 1950-1960, its 6.3 per cent average rate of *per capita* Gross National Product (GNP) growth rate was the highest in Western Europe. Austria, with a far lower base, was second, with a 6 per cent annual *per capita* GNP increase during the same period; France registered 3.4 per cent, and the United Kingdom, only 2.2 per cent.

An important reason for the Federal Republic's high growth rate during the first half of the 1950's was the postwar recovery. The wide variation among Western European countries in the rate of increase in productivity during the first half of the 1950's reflected the continuing influence of postwar recovery factors in such countries as West Germany and Austria, where reconversion had been longer delayed than elsewhere.

Very substantial differences, however, also

persisted in the second half of the decade. The explanation for the high growth rate during the 1955-1962 period appears to lie chiefly in export performance differences. As far as the major European countries are concerned, behavior of costs lies at the root of the difference in export performance, with a strong element of reinforcement present between rapid rates of productivity increases and the differences in competitive strength from which they arise.

The West German GNP share of gross domestic fixed asset formation has been one of the highest in Europe, averaging 20.4 per cent during the years 1950-1955, and 22.8 per cent of GNP for the 1955-1960 period. During 1960-1965, fixed asset formation continued at a very high rate, representing more than 25 per cent of GNP for the years 1963-1964, and 23.9 per cent and 26.7 per cent for 1964 and 1965 respectively.

The pronounced and widespread optimism of West German entrepreneurs—operating in a "free market economy" (*Sozialmarktwirtschaft*)<sup>1</sup> milieu—has helped preserve the upward trend in practically all sectors of German industrial activity. Despite the fact that West Germany has passed the peak of the most recent West German expansion phase (which started in early 1964), the economy as a whole is still clearly on a long-

<sup>1</sup> The term, *Sozialmarktwirtschaft*, was coined by Professor Ludwig Erhard, now chancellor of the Federal Republic. As former minister of economics, he received considerable personal acclaim in helping bring about the West German "economic miracle" (*Wirtschaftswunder*). His image as Germany's postwar economic leader was an important contributing factor in Erhard's successful election campaign of September, 1965.

term upward trend. Strong elements of demand persisting in consumer goods (e.g., automobiles, household durables), housing construction, defense, and exports, suggest a continuation of high output levels. The unusually high growth rates of previous years, ranging in the neighborhood of 6 to 8 per cent of real GNP, however, may no longer be reached, considering the limits set by a fully employed labor force and the maturity of the economy in general. Expansion of the West German gross national product during the last few years has been more moderate—averaging between 4 and 5 per cent of real product. 1965 gross national product in current prices increased by 8.4 per cent, for a total of \$112 billion (DM 448.6 billion). Deflating this figure into real terms, the gain over 1964 amounted to 4.4 per cent.

### MANPOWER

Between 1950 and 1960, more than 6.2 million workers were added to the West German industrial labor force. During this period, the agricultural sector declined by 1.4 million, leaving a net increase of 4.8 million in the active West German labor force. This represented an average increase of nearly half a million additional workers each year. In September, 1964, the number in the total available labor force stood at 27.2 million, with less than 100,000 unemployed. Unemployment in September, 1965, had declined to a phenomenal low of 85,000, representing less than .4 per cent of the total labor force. In actual fact extremely low unemployment rates have prevailed in the Federal Republic for more than five years.

During the 1950's, the West German industrial sector could expect substantial annual increases in the active labor force. Aside from unemployed reserves and redundant farm labor availabilities, an important factor was the steady flow of East German refugees into West Germany. This flow was drastically curtailed on August 13, 1961, with the construction of the infamous Berlin Wall by the East Zone Communist regime. The recruitment of thousands of foreign workers

(notably Italians, Spaniards, Greeks, and Yugoslavs) during the last five years has somewhat offset the reduced East Zone refugee influx. As a result of intense recruitment drives by German government officials and private firms, the foreign worker population in West Germany increased from 280,000 in 1960 to about 1.2 million in September, 1965. This represents an average annual increase of almost 200,000. Because of generally full employment conditions currently prevailing in most other countries of Western Europe, it is highly unlikely that more than 100,000 foreign workers can be added annually to the German labor force in the near future.

Demographically speaking, in addition to the fact that fewer new workers are entering the active labor force—due to stiffer industrial and academic training requirements, and other factors—an unduly large sum of workers relative to the total labor force, will be retiring in 1966 and the years immediately following. While it is hoped that perhaps 100,000 additional foreign workers may be recruited in 1966 (in comparison to the 220,000 increase in 1965 over 1964), total manhours available to the economy are expected to decline because of shorter hours. As in the past, there are signs that "hoarding" of wage and salary earners is again taking place with the current mild easing of demand. Many blue and white-collar workers are consequently retained in less productive positions, while jobs in which they could be utilized more effectively are left vacant.

This practice has not only hampered the rise in productivity but has also tended to keep tensions in the labor market from subsiding. With a static situation now apparent in the growth of the German labor force, productivity remains the only factor contributing to the current growth of West German gross national product.

### SPECTRE OF INFLATION

In spite of West Germany's prolonged period of economic expansion, affluence, and full employment—resulting in the fact that the mark has become one of the hardest currencies in Western Europe—the haunting

spectre of two world wars and their aftermath of financial chaos and economic ruin remains. This indelible imprint left upon at least two generations of Germans easily translates the mere threat of inflation or isolated price increases into a sensitive political issue.

Needless to say, side effects of the postwar recovery boom and the subsequent prosperous years have included moderate but persistent across-the-board price and wage rises—generally beyond productivity gains. Although rising at a faster rate than United States wage and cost indexes for the same postwar period, the magnitude of West German inflationary price rises has been considerably less pronounced than in many other countries of Western Europe (e.g., France, Italy, Belgium, the Netherlands). Between 1962 and September, 1965, the consumer price index in the Federal Republic rose about 10 per cent. Because of differing degrees of competition for resources among and within certain sectors and particular branches of industry, considerable variations from the average price increases have been apparent. For example, in the building materials sector, prices have gone up more than 18 per cent since 1962; and more than 56 per cent since 1958. Industrial producer prices, in contrast, have remained fairly steady; increasing only 4 per cent since 1962. Agricultural producer prices went up about 9 per cent for the same period.

Despite the fact that the West German economy is now apparently in the downswing phase of the current business cycle, the pressure of price and wage increases continue. Wage demands often lag behind the business cycle by six months to a year. Beyond this, it has been difficult to cope with these demands because of the high employment level in West Germany. Politically motivated 1965 tax cuts have stimulated demand even more, thereby aggravating inflationary pressures.

As noted earlier, the 1965 West German GNP showed a current price increase of 8.4 per cent over 1964 of which 4 per cent can be written off to price and wage increases devoid of productivity or other real gain. A

further 3 to 4 per cent inflationary impact is expected for 1966.

### **PUBLIC EXPENDITURES**

In recent years West German public expenditures have noticeably increased. Since 1958, defense expenditures have shown a strong rise, but have begun to level off near the 5 per cent GNP level. Government investment expenditures and credits granted by the government have continued to rise at a fairly rapid rate, with a subsequent diminution of public domestic cash surplus. The West German government has repeatedly stressed the need for an active, anti-cyclical fiscal policy. Transactions of public agencies in 1964 and particularly during 1965, however, have added to, rather than counteracted, expansionary forces. As a result, actual expenditures of the federal government, the states (*Länder*) and the municipalities in 1965 averaged about 10 per cent above 1964 levels.

Modest government stabilization measures implemented during the last two years, have included premature tariff cuts for imports from E.E.C. countries (as of July 1, 1964, rather than January 1, 1965), and the announcement of a 25 per cent withholding tax on interest payments to nonresidents holding German bonds. (The latter measure, designed to stem the influx of funds from abroad, caused a sharp downward trend of bond quotations.)

The German Central Bank and other monetary and fiscal authorities are acutely aware of the need for coordination of all claims on the national product and the need for restraint by major economic interest groups. Against this background, the West German government is seeking to keep federal expenditures for 1966 from increasing more than 5 per cent over the previous year. It is also attempting to induce the legislative bodies on all three levels of government (federal, state and municipal) to use similar restraint. Further, possibilities are being investigated to reduce subsidies and to guide public transactions as a whole on the basis of longer-term plans which are to be drafted in

cooperation with all the state governments.

Whether the federal authorities can successfully implement the foregoing remains to be seen. Because of political considerations, many public expenditures emanating on federal, state and local levels are exceedingly difficult to cut back or maintain within non-inflationary guidelines. Other measures designed to curb inflationary forces involve the continuation of monetary restrictions by the German Central Bank to maintain pressure on bank liquidity.

FOREIGN TRADE

West Germany is one of the world's most important trading countries. In 1961 it surpassed the United Kingdom in foreign trade, and with trade valued at \$23.7 billion, it ranked next to the United States as the country with the second largest volume of world trade. Trade figures since 1961 are shown below in millions of dollars.

During the mid-1950's, West German foreign trade averaged 7 per cent of Free

Export surpluses have been recorded for every year since 1951. They averaged about \$1.2 billion annually from 1954 to 1957, and for the five-year period, 1960 to 1964, this average increased to more than \$1.5 billion. Export surpluses with the less developed nations have been persistent, averaging for many years more than \$800 million annually. On the other hand, West German trade with the United States has resulted in bilateral deficits in recent years of more than a billion dollars annually.

Because of unusually heavy imports in 1965, the trade surplus has receded considerably below earlier years. With an expected 10 per cent increase in exports, and with imports increasing by a rate of less than half of last year, the West German trade balance for 1966 is expected to return again to its traditional high surplus.

West German trade with the Communist countries<sup>3</sup> during the last several years has averaged some 3 to 4 per cent of its total world trade. In addition, trade with the

	1960	1961	1962	1963	1964	1965 <sup>2</sup>
Exports (f.o.b.)	11,422	12,694	13,273	14,628	16,228	13,011
Imports (c.i.f.)	10,175	11,032	12,391	13,094	14,709	12,770
Trade Balance	+ 1,247	+ 1,662	+ 882	+ 1,534	+ 1,519	+ 241

World trade. By 1959, its share had risen to 9 per cent—a significantly larger percentage than its share of total world trade before the Second World War. In 1964, the share of West German foreign trade was 9.9 per cent, and for the first nine months of 1965 it reached 10.4 per cent of Free World trade.

In 1936, German foreign trade amounted to 13 per cent of its estimated gross national product, compared with nearly 30 per cent in 1964. In current value, West German foreign trade increased by almost five times during the period 1950–1962, or from \$4.7 billion to more than \$25.5 billion. It nearly doubled its foreign trade in the six-year period, 1958 to 1964.

Soviet Zone has hovered in the vicinity of 2 per cent of the Federal Republic's international trade. In 1964, exports to the Soviet Union and other Eastern European Communist countries were 3.1 per cent (\$498 million) of global West German exports (\$16.2 billion), while imports amounted to 3.3 per cent (\$485 million) of total West German imports (\$14.7 billion). Imports from the Soviet Zone totaled \$257 million in 1964, while exports amounted to \$287 million. Most of the trade conducted with the Soviet Zone is on a semibarter basis, in accordance with an Interzonal Trade Agreement. Efforts are currently being made to increase West Germany's trade with the Communist countries, not so much in terms of current requirements; but as a future hedge, should Free World trade recede during the years ahead.

<sup>2</sup> January through September, 1965.  
<sup>3</sup> The Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, North Vietnam, Mongolian Republic, Red China and North Korea.



West Germany's remarkably strong balance-of-payments position has now prevailed for over a decade.

In addition to the Federal Republic's impressive surplus trade balances, the expenditures of United States troops in West Germany have been an important source of dollar exchange, averaging about \$800 million annually over the past ten years. American troop expenditures in West Germany have equalled nearly three-fourths of that country's average annual trade deficit with the United States and more than half of its dollar-area trade deficit for many years.

Reaching a peak of \$9.3 billion in June, 1961, West Germany's gold and foreign exchange holdings over the past six years have been held at, or near, the seven billion dollar mark. Presently, about 60 per cent (\$4.39 billion in September, 1965) of total reserves (\$7.16 billion in September, 1965) are held in monetary gold; the remainder in usable foreign assets.

A certain outflow of foreign exchange from the Federal Republic has in recent years implied a needed improvement in its partner countries' balance-of-payments position, and for the world economy an improvement of the international liquidity pattern. In certain contrast to the French official position, German Central Bank authorities, over the past several years, have exhibited an exemplary policy of responsibility and restraint to help ease the United States strain on its balance-of-payments. Still, pressure exists in West Germany for increasing its increment of monetary gold. As a consequence, German gold holdings were slowly raised from 39.5 per cent (\$2.97 billion) of total reserves (\$7.53 billion) in 1960, to 61.3 per cent (\$4.39 billion) by September, 1965.

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**Anthony Radspieler** was appointed Consul to the American Consulate General at Frankfurt/Main, in March, 1963, where he headed the Economic Affairs Section until October, 1963. During the previous four years he was Senior Economist and Research Consultant with the U.S. State Department.

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## CHANGING CULTURE IN GERMANY

(Continued from page 294)

are employed in the German economy. They come from Italy, Greece, Spain and Turkey, and create many problems, since they grew up in different cultures. Many of them left their families at home and must live in strange and sometimes primitive temporary quarters.

The labor shortage has also revolutionized middle-class households. Gone are the days when a full-time maid, for a modest wage, had to pretend that she enjoyed scrubbing the floors, preparing and serving the meals, washing the laundry and supervising unruly children. Today she has a fairly well-paid job in an office or factory, works from eight to five and has the weekend off. This has brought about tremendous changes in the German home, where husband and wife must now rely on modern appliances.

This leads to a final question: What of the future? *Die Politische Meinung*, a monthly—close to the C. D. U. leadership—ably edited by Karl Willy Beer, dedicated a special issue last summer to the topic: "*Was soll aus Deutschland werden?*" In it, the editor and his associates discussed the increase of population which is already 55 million in the Federal Republic (without West Berlin) and is rising continually, the rapid urbanization of the country; the trend toward better and larger homes; the rationalization of the household; the change to frozen and instant food; the reorganization of city traffic; revolutions in agriculture; drastic changes in education; and, of course, the inevitable coming of automation. The investigation culminated in an attempt to predict the attitudes of the youth of 1975, saying that they will be devoted to democracy and long for freedom and fairness, but will look at the state unemotionally. There is still, however, an unsatisfied need for idealism. It concludes that the decisive issue is "whether the national goal of German reunification or the supra-national aim of European unity will become the object of this new idealism."

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## BOOK REVIEWS

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### ON GERMANY

ULBRICHT. A POLITICAL BIOGRAPHY. BY CAROLA STERN. (New York: Frederick A. Praeger, 1965. 231 pages, notes and index, \$5.95.)

Walter Ulbricht, the quiet little tailor's son from Leipsig with a talent for organization and survival, became the master of East Germany in 1950. Since then he has remained in power partly by being a superb operator and organization man, partly by strength of character, partly by sheer good luck—as when the workers' revolt of 1953 failed to overthrow him because his Communist opponents were backing the wrong man (Beria) in the power struggle being waged in Moscow at the time.

A life of Ulbricht could be a fascinating description of the techniques and motives of success in Communist politics. This adequate biography is little more than a chronicle of his activities, against the backcloth first of German then of East German politics. Useful to the contemporary German historian or the political scientist, the book leaves untouched the nature and the motives of the man, the wider political questions, even great political issues like that of relations with other satellites, the Oder-Neisse line, and the relevance of a tough "Stalinist" line to East German problems; thus it suggests more questions than it recognizes.

Eugen Weber

University of California, Los Angeles.

HIMMLER. BY ROGER MANVELL AND HEINRICH FRAENKEL. (New York: G. P. Putnam's Sons, 1965. 285 pages, notes and index, \$5.95.) and THE MEN WHO TRIED TO KILL HITLER. By Roger Manvell and Heinrich Fraenkel. (New York: Coward-McCann, 1964, 272 pages, notes, bibliography and index, \$4.95.)

After previous works on Hermann Goer-

ing and Joseph Goebbels, Messrs. Manvell and Fraenkel give us an equally readable, informative, and occasionally gruesome account of Heinrich Himmler, the third of Hitler's major henchmen: the able but insufficient monomaniac who bureaucratized terror and disciplined death, though he never could dominate his own confused mind and tortured nerves.

To parallel this gory, crazy gang, those who plotted against them and failed, in *The Men Who Tried To Kill Hitler*, the same authors address themselves to the small band of conspirators who, on July 20, 1944, tried and failed to wrest Germany from Nazi clutches. The book details their very diverse motives and their very bloody fate. Both books are recommended for the general reader.

E. W.

THE NAZI SEIZURE OF POWER. BY WILLIAM SHERIDAN ALLEN. (Chicago: Quadrangle Books, 1965. 345 pages, notes and index, \$6.95.)

This fascinating and important book (subtitled "The Experience of a Single German Town, 1930-1935") gives an almost blow by blow account of the way in which a small, provincial German town where before 1930 the Nazis formed a negligible minority could, by 1932, show a 62 per cent majority of Nazi electors. The leap from 123 to 4200 votes in three short but busy years was due to skill, effort and perseverance on the Nazi side; to the weakening effects that the depression had on their chief opponent, the organized working class; and to the fear (rather than the fact) of economic want and social revolution which gripped the hearts of respectable burghers and persuaded them to accept the Nazis as the most effective available opponents of Marxism and proponents of national recovery.

In careful, detailed chapters Professor Allen shows the small role of anti-Semitism (people, he says, came to anti-Semitism through Nazism, not to Nazism through anti-Semitism); the solidity and stolidity of the Social Democrats who held on to their supporters but showed themselves unable either to reassure the bourgeois or to steal the radical thunder of the Nazis; the progressive breakdown of civil order, fed by Nazi tactics, which persuaded many that only the aggressors could reestablish order; and, finally, what happen in the first two years of the Nazi revolution whose main components were "terror, dictatorial control, unremitting propaganda, the reconstruction of social life, and economic revitalization." One question alone remains unanswered: how was it, if the Nazis were, as all affirm, the lowest, least worthy, most bankrupt and feckless types of the community, that their success was so swift and their rule so evilly effective?

Not having asked this question, Mr. Allen can provide only a very partial answer to it. But his book remains a major tool in elucidating the question: a work to read, to ponder, to admire.

E. W.

**THE PROUD TOWER.** BY BARBARA TUCHMAN (New York: Macmillan, 1966. 528 pages, illustrations and index, \$7.95.)

This is a brilliant book. From the story of the outbreak of World War I, Mrs. Tuchman has moved back to survey the packed quarter-century preceding 1914. She does this in a series of chapters devoted to some of the more characteristic aspects or events of the time, brushing in contemporary color with a wealth of anecdote, resolutely keeping to the contemporary range of vision. The war looms ahead, we know, but for her characters it is still over the horizon—an ominous possibility but not yet a doom. Any shortcomings the work may have—and it has some—are outweighed by its contributions: the wealth of anecdote, the suggestive detail, the sensitiveness of touch. Society, music, diplomacy, politics and technology are

mobilized to leave us with a rich, if necessarily partial, impression of a time which until now has not received this integrated treatment. If many of the aspects of the period are omitted, as the author herself admits, the major regret the reader feels is that the book could not be longer. Perhaps another time?

E. W.

**THE EUROPEAN RIGHT. A HISTORICAL PROFILE.** EDITED BY HANS ROGER AND EUGEN WEBER. (Berkeley and Los Angeles: University of California Press, 1965. 589 pages, \$9.50.)

The recent revival of comparative history in the United States has helped to pose fruitful problems that the national historian emphasizing the uniqueness of his subject has not explored. This collection of essays on extreme Right-wing movements in eleven East and West European countries contains surveys of particular value to anyone seeking to broaden his perspective on one movement or country, but some of the contributions, such as Eugen Weber's on France and István Deák's on Hungary, are much more successful than the collection as a whole.

The definitions of the Right, underlying the essays, vary much more than was required by the differences among the countries studied. Similarly, although most of the contributors concentrate on the period from 1900 to 1945, Ernst Nolte devotes nearly three-quarters of his essay on Germany to the nineteenth century.

More coordination of the essays would have been less likely to overcome another general weakness. Conceiving of the history of political movements in a rather restrictive way, many of the contributors seldom relate effectively the development of the Right to the intellectual, social, and economic context in which it flourished. Perhaps even the limitations of this volume will help to stimulate the extensive research and intensive discussion needed to clarify the history of the Right.

Walter Struve  
City College, New York

## EUROPE AT LARGE

THE AGE OF THE DEMOCRATIC REVOLUTION. Vol. II: THE STRUGGLE. BY R. R. PALMER. (Princeton: Princeton University Press, 1964. 584 pages, maps and index, \$10.00.)

The second volume of Robert Palmer's great political history of Europe and America at the end of the eighteenth century, brings to 1800 the tale which his first volume (*The Challenge*, 1959) had opened in the 1760's and had carried through the French Revolution of 1789.

These two volumes, for the first time in English, provide a synthetic view of the great age of revolution that shook all Europe and affected men throughout the world. Around the two great central movements in America and France, they paint the clash between rival contenders for power: aristocracy and privilege; the centralizing, rationalizing forces of the modern state; the new democracy of the middle classes; and—in the wings, sometimes appealed to, oft-times ignored—the popular masses of peasants and poor. We hear the arguments of democratic revolution in all their variants, those of traditionalist reaction, and those of social conservatism; see how they differed from one society, one set of circumstances, to another; and watch their eventual solution, throughout Europe and not the least in France, in a new kind of authoritarianism.

This is an account essential to all who want to place the oft-repeated tale of French or American revolution in its broader contemporary setting, to see how events in one country affected those in others, or to read a fascinating book.

E. W.

DECLINE AND RISE OF EUROPE. BY JOHN LUKACS. (New York: Doubleday and Company, 1965. 295 pages and index, \$4.95.)

In this stimulating and thoughtful work, John Lukacs has undertaken "to describe and discuss the idea of Europe and a Euro-

pean consciousness through their historical development." The first three chapters provide a historical description of Europe's remarkable economic, political, and social recovery from World War II. They are perceptive and rich in the interpretations of an eminent historian. The succeeding five chapters trace the evolution and development of a "European consciousness."

The author believes that there is emerging a uniquely "European" approach to society and politics, that the emergence of a "European culture" is well along in its realization, and that this development foreshadows the rise of a Europe more influential than in its imperial days before 1914 or 1939.

One may question some of the author's postulates concerning the development of a "European consciousness"; however, there is no doubt of the importance of his thesis and the persuasiveness of his analysis. This is a lucid, original book, worthy of attention. A.Z.R.

SCANDINAVIA. BY JOHN H. WUORINEN. (Englewood Cliffs, N. J.: Prentice-Hall, 1965. 130 pages, bibliography and appendix, \$4.95.)

In this volume of the publisher's *Modern Nations in Historical Perspective* series, the author has given us an excellent brief introduction to the history, geography and contemporary social, political and economic conditions of Scandinavia. To him, Scandinavia includes Finland and Iceland as well as Norway, Sweden and Denmark.

His book will appeal to those who need a ready reference intermediate between the usual encyclopedia treatment and the regular book-length studies of individual countries. The length of the book definitely limits its utility to the serious scholar, despite the care and thoroughness of the author. On the other hand, to the beginning student or the layman needing a "bird's eye" view, its brevity may be a real asset.

G. W. Thumm  
Bates College

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## CURRENT DOCUMENTS

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# German Evangelical Church Statement on the Eastern Territories

*In October, 1965, the Evangelical Church (the official body representing the German Protestant Church) issued a memorandum concerning the "Position of the Refugees and the Relation of the German People to their Eastern Neighbors." Translated excerpts follow:*

### I. Scope and Background of the Problems:

Every reflection upon the position of the refugees and on the future relations of the German people with their eastern neighbors must begin by clarifying the scope of the human side of the catastrophe of the German east. In the cases of millions of individuals, the loss of a home was coupled with the loss of almost every material possession, and in most cases also with the loss of near relations. For millions of people the exertions brought on by the expulsion and the struggle for subsistence caused a complete breakdown which affected them psychologically, intellectually and spiritually.

The events which form the historical background of the expulsion, and of the fates of all the individuals involved, are those through which one-quarter of the German Reich of 1937 was placed under foreign administration and the German settlement in Czechoslovakia, as well as in other eastern and southern European countries, was lost. The historical consciousness of the German people thus suffered a painful blow, but these events also led to the loss of great cultural power-fields which produced a strong influence on German and European intellectual life, including its religious and ecclesiastical aspects. From an ecclesiastical point of view, German Protestantism feels to this day that it has suffered a

substantial setback from the loss of the several large national churches and from the fact that the standing of the churches of Berlin-Brandenburg, Pomerania, and Silesia has been considerably lessened.

The description of the preceding events would be unfairly abbreviated if consideration were not given to the human and historical destiny of the eastern neighbors of Germany. For them as well the war and its outcome was a human and national catastrophe. The German nation is therefore politically and morally culpable for the fate of its neighbors. The injustices attributed to the Germans cannot be separated from the background of political and moral chaos into which the German people let themselves be led by National Socialism.

These catastrophes, which are shocking both in individual and in total terms, and which shook the foundations of all Europe, have as yet not been sufficiently investigated either from the human and spiritual point of view, or as a historical process, or as a political problem. The moral and legal problems posed by the expulsion of the German population from the areas beyond the Oder-Neisse Line and from other neighboring lands have not yet been settled. The temporary provisions of the Potsdam Treaty of August 2, 1945, concerning the territorial sovereignty of the German eastern provinces have not yet



been settled by permanent international law. It is especially burdensome to note that twenty years after the end of the Second World War the possibility hardly exists of objective, open discussion between the divided peoples upon the weighty problems of guilt and justice. This is not only a consequence of ideological antagonism. The relations of the German people with their eastern neighbors have been so completely ruined that the former rich, human, intellectual and cultural exchange has completely ceased and as yet has hardly recommenced.

As long as this lack of reconciliation persists it will be a source of trouble, since without a solution to the German problem all efforts towards a lessening of political tension in Central Europe and towards a new, enduring peace will be without success.

Nor has the passage of time healed or soothed the human wounds and political instability within the German nation which were caused by the expulsion. The more the assimilation of the refugees in society and in the church seems outwardly to progress, the more the deeper implications and consequences of the expulsion take effect. For this reason one must not let oneself be deceived about the critical inner condition of many of the refugees. It is with justification that the refugees themselves feel it to be an inadmissible simplification of the problems to consider them all resolved with economic assimilation. One must therefore have an understanding of the volume and the passion with which the discussion is being conducted about the "Right to a Homeland," in the sense of an original and ancestral home ("Right to one's Homeland"). The events in the eastern German territories and the fate of other refugee peoples call for a comprehensive international debate on the question of the extent to which such mass catastrophes can be hindered in the future through an international, political formulation of a new humane law. It is also understandable that leading circles of refugees have made use of all the most cogent legal, ethical and theological arguments to settle the still unanswered humane questions and to fulfill their own political hopes. In this re-

gard the concept of a "Right to a Homeland," which was discussed in the first place, frequently transcends the narrow sense of the expression to indicate a whole group of problems and tasks of wider implications.

In a review of the scope and background of the refugee problem, one must include the fact that the discussion, both inside and outside Germany, is being conducted with impatience and acrimony. The further we are removed from the events of the war's end, the more many of the actual political and historical conditions are displaced in our memory by a one-sided view of things. The more strongly the principal legal and moral points of view determine the formation of judgment, the more the actual political possibilities and problems seem to fade. In this way the German side falls into the danger of meeting the realities of world politics with political fantasies, and of neglecting present problems for the sake of vague future expectations. In reality, we are unavoidably faced with the task of solving present, real, human, ethical, legal and political problems which were created by the Second World War and its outcome in our nation and in its relations with its eastern neighbors.

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#### IV. Questions of International Law.

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The legal analysis cannot and need not be carried further here. The unprejudiced reader who ponders the historical events presented here should not wonder that [the analysis] does not end by deciding finally in favor of one side or the other. The legal positions are limited on both sides; justice opposes justice, or—more clearly—injustice opposes injustice. In such a situation, stubborn insistence on antagonistic legal contentions, in which each party is only acting according to its own interests, becomes unfruitful; indeed it presents a danger to the peace of both nations. The conflict is not to be resolved on this level. Hence it is necessary

to search for a settlement which would create a new order between Germans and Poles. This would not justify what happened in the past, but it would render possible the peaceful coexistence of the two peoples in the future.

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#### V. Theological and Ethical Considerations.

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Ethical considerations lead to the necessary conclusion that, in clear acknowledgement of mutual guilt, and without sanctioning injustices which cannot be sanctioned, the relations of the peoples, namely the German and Polish peoples, should be reordered, and the concept and substance of reconciliation should be introduced as an indispensable factor in politics. . . .

Theological deliberation confirms the conviction that the detailed formulation of political goals and solutions does not belong to the problems of the church. But it does belong to the political mission of Christianity to advocate the moral and humane conditions necessary for a political order serving mankind and the maintenance of peace. In doing so, the church should not hesitate to name by name the sources of political misjudgment or neglect and to directly address men's consciences. The discussion on the "Right to a Homeland" and on the questions of Germany's eastern policy suffers from excessive emotionalism and is inadequate in factual content. Many public statements are plainly at odds with objective opinion. Therefore the church must advocate that the fundamental problems of the German eastern policy be analyzed as carefully as possible and be newly formulated if necessary.

#### VI. Germany's Eastern Borders as a Political Problem.

The examination of the international-legal and theological-ethical aspects of the problem has shown that the question of Germany's eastern borders cannot be resolved with absolute arguments of justice and ethics or by means of a theology of creation and history.

From this point on the church can only help bring out issues which cannot be avoided by the German nation and its neighbors. It is a question here of political issues which must be resolved by a rational evaluation of the situation and by responsible cooperation in creating an enduring peace. The legal, ethical and theological observations contained in this memorandum, which we consider relevant to any political transactions, are intended to inspire a new trend in the political imagination of the German nation, and also to offer our neighbors to the east a dialogue on a new level.

In this dialogue there is a direct question of the extent to which the refugees have a right to return to their old homelands and to what extent there exists a right to the restitution of the detached areas. It is inevitable that both questions should be posed in the political and historical context of today. A durable peace in the relations of the German people with their neighbors to the east can only be realized if the relations are rebuilt from the very beginning. The present condition of a practically total alienation and mutual fear and hate must give way to reconciliation, which is also possible between nations. The divided peoples are obligated to the peace of the world and to a new European order to make the greatest possible effort to discuss and reorder their relations while taking into consideration the positions of both sides.

The political leadership of the Federal Republic has shown a rather temporizing attitude towards these questions, and it constantly stresses its own legal position. One must admit that there have been important internal political reasons for this hesitation. The subjugation of a quarter of the area of the former German state to foreign administration and the expulsion of the area's inhabitants placed such strains on the discipline of the entire nation that the danger of radical nationalism was very real. It is a very remarkable feature of postwar German history that such a radicalization has not occurred. The German nation makes the sacrifices which are expected of it only when it thinks historically and is swayed by its awareness of

a higher necessity. This awareness, however, can develop only gradually. The hesitant treatment of the problem of the German eastern territories by the government of the Federal Republic also has roots in the realm of international politics. It may be a result of the fact that Western international law guarantees the perpetuation of the German state in its 1937 borders. A premature definitive acknowledgement of the provisions of the Potsdam Treaty of 1945 is considered a politically unwise abandonment of valuable bases and goals for future . . . negotiations.

In this temporizing position the just principle is expressed that the wartime occupation of the eastern territories and the transfer of their administration to another state cannot be simply transformed into a unilateral annexation, which would be neither a legal or political substitute; nor can the injustice of the expulsion be passed over in silence. These questions and all territorial adjustments require common contractual regulation. The value of these regulations is dependent on each side's awareness of their necessity and on each side's agreement to strive for a new beginning. It becomes clear here that the negative concept of "renunciation" is an utterly and totally inadequate expression for the German contribution to the peace settlement which is to found a new partnership between the peoples. If the future legislation of the territorial question is to stabilize the relations between the two peoples, then it must be the outcome of a real dialogue and the expression of the desire for reconciliation.

It is not the task of an ecclesiastical memorandum to make conjectures on the correct moment to abandon the temporizing policy towards our eastern neighbors. But the formal argument that only a future, united German government is authorized to make such broad decisions can no longer justify the indefinite postponement of the clarification of the fundamental principles which are involved. The German nation must be prepared for the necessary steps so that the government can feel itself empowered to act when the situation demands it. Such preparation

has become all the more necessary because the world situation has strikingly changed since the 1950's. Whereas at that time two ideologically determined power blocs opposed each other in the East and West, and thus ruled out the possibility of independent negotiations by a German government, now the political situation has become more fluid. In this state of affairs the Western allies of the Federal Republic of Germany expect the latter to contribute to the lessening of tension, which is possible only if the government can count on finding in the German people consent and understanding for a step in the spirit of reconciliation with our eastern neighbors.

This memorandum cannot discuss in detail which steps will best advance the aims of reconciliation and a new order. The only certainty is that it is not sufficient to stress the German legal position stubbornly and unilaterally, but that on the other hand a German government cannot be expected from the very outset to abandon her legal position unconditionally. Much more will depend on creating both inside and outside Germany an atmosphere in which, step by step, the legal processes of reconciliation with her eastern neighbors are possible.

This presupposes that the desire for reconciliation exists, or can be awakened, among these [neighboring] people as well. They must therefore consider the critical question of whether to persist in their ostentatious self-righteousness in their relations with Germany. But the dialogue can begin only when the German people have acknowledged that they will resist the temptation on their part to become self-righteous.

The above memorandum does not presume to prescribe the methods of dealing with instances calling for political action. It proposes, however, that it is a task for the church to offer the German people a clearer picture of the goals involved than is usually available in a discussion within Germany, and to remove the hostility to these goals which so often occurs these days. If the politicians' scope of action is thereby widened, it nonetheless remains their problem to make the best use of the possibility.

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## BERLIN REVISITED

(Continued from page 268)

furt, Hamburg, Düsseldorf, in the west, Munich and Stuttgart in the south. In present-day Germany a new regionalism, not conforming to the boundaries of the traditional federated entities, may no longer countenance the reappearance of a hydrocephalic Berlin as the self-appointed capital.

The downgrading of Berlin—deliberately initiated by the National Socialist regime—has been continued by force of circumstances. Nonetheless, the Berliners, with their seemingly inexhaustible capacity for adapting themselves to the provisional, will continue to make the best of an adverse situation. Humility is a word conspicuous by its absence in their vocabulary. What they have lost as residents of the German capital is compensated for by their stubborn attachment to their beloved *Heimat* and the distinction of belonging to the artistic capital of Germany. Berliners silently admit that their truncated city without hinterland will forever remain on the payroll of the German Federal Republic, with the consolation that they can participate in its prosperity—as long as the boom lasts. Already the chronic crises in coal and steel and the excess of imports over exports are painful reminders that the economic curve is flattening out. The sympathetic visitor departs with a heavy heart.

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## WEST GERMANY AND EUROPE

(Continued from page 276)

from its predecessor. The dilemma of balancing relations with Paris and Washington was a dilemma Adenauer also had to face. The advent of a nationalist, benevolently autocratic French regime across the Rhine was an unfortunate historical accident with which all European powers have had to cope.

Finally, the continuation of the cold war, —despite certain modifications—and the rigid Soviet attitude on the German question, are factors which no West German govern-

ment can overcome by its own resources. Erhard perhaps lacks the resolution, the singleminded purpose, and above all the authority of Adenauer; perhaps Schröder sometimes gives the impression of aimless improvising and maneuvering, but they are trying to meet the same challenges which have beset the Federal Republic since its birth.

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## GERMANY AND THE U.S.

(Continued from page 280)

positive achievement, which should weigh more strongly in the eyes of the world and in the hearts of the Germans than their former hatred of communism and their even older contempt for the Slavs. The building of a new German society, animated by a new philosophic *Weltanschauung*, will strengthen West Europe. In addition, if pursued with patience and tact the New Society will lessen apprehensions surviving from the recent past and contribute to a detente in Europe. Such a detente will create the conditions for future cooperation and, later, German unity.

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## UNDERDEVELOPED WORLD

(Continued from page 288)

tinents. By the end of 1966, the G.D.S. expects to have 2,000 volunteers working in the field. In view of the painstaking care taken in the selection of volunteers and projects, it is not surprising that this German program already seems to be shaping up as a resounding success.

Of course, the German development program has had its problems. Some of these, such as the initial lack of experts familiar with the developing areas, have largely been overcome. Others, such as the rather long delays before work on a project can be begun, are inevitably tied to positive characteristics of the program, in this case the careful examination and preparation of projects. In any effort involving as many organizations as the German development program, there is a difficulty in coordinating them effectively.

Excessive bureaucracy in the aid field is not exclusively a German shortcoming, but it undoubtedly exists in Bonn: someone calculated that 992 officials and 231 offices and semi-official agencies participate in the administration of the development program.

But for all its faults—and it must also be recognized that the relatively young German program has been characterized by an unusual willingness to change its methods and to adopt new approaches when experience so dictated—the final balance sheet in our survey is overwhelmingly positive: West Germany is making an imaginative and effective effort to deal with a problem that concerns us all.

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## LUDWIG ERHARD

*(Continued from page 262)*

destroyed state autonomy, but Hitler and his captains were incapable of consistent, serious reform, and their restless and chaotic commonwealth was a hodge-podge of federalism and centralism.

In 1949, the Allies exacted a return to the federal principle. Since the establishment of four zones of occupation destroyed Prussia, one of the endemic problems of German unity disappeared, but history nevertheless determined the size and shape of most of the components of the eventual Federal Republic. Bavaria emerged unchanged. Hesse, for the first time, united all Hessians divided before 1866 among the Grand Duke of Hesse-Darmstadt, the Elector of Hesse-Cassel, the Duke of Nassau, and the free city of Frankfurt. Lower Saxony constituted a combination of the former kingdom of Hannover joined by another part of the former patrimony of the royal house of England: Brunswick. Schleswig-Holstein, unwillingly transformed into a Prussian province in 1866, was restored to autonomy. North Rhine-Westphalia represented the Rhenish provinces which became Prussian after the Napoleonic wars. The old Hanseatic cities of Hamburg and Bremen have remained city-states, a status they have

traditionally claimed since the middle ages. Only the Saar, Rhineland-Palatinate and Baden-Württemberg were shaped by the accidents of the four-power partition.

This physical division manifests less imbalance than its predecessors, but North Rhine-Westphalia with the largest industrial complex of the Federal Republic now exercises an economic ascendancy that is comparable to Prussia's political dominance of preceding German commonwealths. The state government in Düsseldorf has also found that this kind of eminence is quite expensive. Agricultural regions like Schleswig-Holstein and the microscopic Saar can enjoy the luxury of statehood only because North Rhine-Westphalia's contribution to the federal budget is sufficiently large to produce the subsidies necessary to keep these poorer states from going bankrupt. This "internal development aid" disgruntles the rich and it does not balance the budget of the poor.<sup>13</sup> The problem is particularly serious in the educational sector, where the Bonn constitution assigns exclusive responsibility to the states. Bremen needs a university, but it cannot afford one. The Saar has a university, Saarbrücken, but the neighboring states are paying for it. The answer, according to Franz Meyers, minister-president of North Rhine-Westphalia, would be a reduction of the present eleven states to five, including the absorption of Schleswig-Holstein, Bremen and Hamburg into Lower Saxony, the partition of Rhineland-Palatinate between North Rhine-Westphalia and Baden-Württemberg and the adding of the Saar to Hesse. It seems a sensible proposal, but no student of United States history needs to be told what political disasters lurk behind so sweeping a revision of state boundaries (see map on page 362).

This last problem, in particular, illustrates the dangers and opportunities facing Ludwig Erhard. He may go down in history as another German leader who failed but his is also the opportunity to succeed where even a Bismarck feared to tread. Both the country and its chancellor are moving toward a rendezvous with destiny. All about them is uncertain but the certainty of the encounter.

<sup>13</sup> See "Das Land ist klein, die Sorgen sind gross," in *Die Welte*, December 31, 1965.



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# THE MONTH IN REVIEW

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*A CURRENT HISTORY Chronology covering the most important events of March, 1966, to provide a day-by-day summary of world affairs.*

## INTERNATIONAL

### Disarmament

Mar. 1—Britain's delegate to the 17-nation conference in Geneva, Lord Alun Chalfont, warns the neutral nations against attaching conditions to any treaty halting the spread of nuclear weapons. He says such conditions would make accord difficult.

Mar. 3—Both the U.S. and Soviet delegates agree that any attempt of the nonaligned nations to attach other issues to a nuclear pact would impede progress.

Mar. 8—The Soviet Union rejects the U.S. proposal that both countries destroy "thousands" of their nuclear weapons; it says the proposal has "nothing in common with disarmament."

Mar. 22—In an effort to advance negotiations, the U.S. announces amendments to its treaty draft. The Soviet Union contends that the U.S. draft still permits West German access to nuclear weapons.

### European Economic Community (Common Market)

Mar. 16—After a 2-day meeting of the Council of the Western European Union, British Foreign Secretary Michael Stewart reports in London that all six Common Market nations would like to have Britain join the E.E.C.

### North Atlantic Treaty Organization (NATO)

Mar. 7—French President Charles de Gaulle writes U.S. President Lyndon Johnson about foreign bases in France. The letter reportedly deals with the French February 21 request that all foreign bases be brought under French control by 1969.

Mar. 12—France makes public its decision to take its two divisions and two air squadrons

now stationed in West Germany out of the integrated allied defense organization; it also requests the removal of U.S. and Canadian bases and NATO's Supreme Headquarters from French soil. (See also *France*.)

Mar. 18—Fourteen NATO allies (all except France) declare that the North Atlantic Treaty and the principle of military integration are "essential" to Western security.

Mar. 29—Netherlands Foreign Minister Joseph Luns says the other NATO members have agreed that no retaliation should be planned against France for its decision to withdraw from the military organization of the Alliance.

### United Nations

Mar. 3—Britain, France and Germany issue a joint statement declaring that East Germany is not a state and "has no right whatever to be admitted to the United Nations organization." (See also *Germany, Democratic Republic of*.)

Mar. 4—Secretary-General U Thant makes public a cable he has sent his representative in Cyprus asking him to renew his effort to mediate the Greek-Turkish dispute.

Mar. 16—The Security Council votes unanimously to extend the jurisdiction of the U.N. peace-keeping force in Cyprus until June 26, 1966.

### AUSTRALIA

Mar. 8—Prime Minister Harold E. Holt announces in parliament that Australia will increase its military forces in Vietnam from 1,500 men to 4,500. Holt claims that "while the Chinese Communist philosophy persists the whole free world is threatened." The Labor Party opposes the increase.

Mar. 9—Hubert Opperman, Immigration Minister, announces that laws pertaining to the entry of nonwhites will be relaxed.

Mar. 24—The house of representatives defeats the Labor Party's censure motion against the government's decision to increase Australia's military commitment in South Vietnam.

## AUSTRIA

Mar. 5—Election campaigns for a new government and parliament end today. The major issue has been the continuance of a coalition of the People's Party (the conservatives) and the Socialists.

Mar. 6—The People's Party wins a narrow majority (85 of 163 seats) in parliament in the national elections, making it the first party to hold a majority since 1945. The Socialists are expected to lose some of their cabinet and sub-cabinet posts.

Mar. 7—The People's Party decides to try to form a coalition government with the Socialists.

Mar. 8—Josef Klaus, chancellor of the previous government, is unanimously nominated by the executive committee of the People's Party to serve as chancellor in the new government.

## BELGIUM

Mar. 3—In an attempt to end a three-week crisis, the president of the Social Christian Party, Paul Vanden Boeynants, undertakes to form a government.

Mar. 8—The Socialist Party refuses to enter a coalition government with Vanden Boeynants.

Mar. 19—Premier Vanden Boeynants names a 23-member cabinet supported by a center-right coalition of the Social Christian Party (Catholics) and the right-wing Party of Liberty and Progress (formerly Liberals).

## BRAZIL

Mar. 1—A 30 per cent increase in minimum wages is announced, to help relieve the pressures on the unskilled resulting from rising prices.

Mar. 8—A frontier dispute intensifies over the hydroelectric power site on the border of Brazil and Paraguay.

Mar. 9—The International Bank for Development and Reconstruction grants a \$49-million loan, to extend over 25 years, for the development of electric power in the state of Minas Gerais.

## BULGARIA

Mar. 11—Todor Zhivkov, first secretary of the Bulgarian Communist Party's central committee, is unanimously reelected premier by the fifth national assembly.

## CANADA

Mar. 10—Minister of Justice Lucien Cardin charges that the former Conservative government under John Dieffenbaker concealed a security case involving an East German woman and members of the government.

Mar. 11—The Bank of Canada increases the bank rate from 4.75 to 5.50 per cent.

Prime Minister Lester B. Pearson orders a full-scale inquiry into the security scandal charges.

Mar. 19—The government announces plans for a \$112-million program to help poverty-stricken Canadian Indians.

## CEYLON

Mar. 6—Police look into charges of an attempted revolt; air force and navy leave is canceled and a state of emergency continues.

## CHILE

Mar. 15—A Communist-sponsored general strike against the government of President Eduardo Frei fails but half the nation's copper mines remain idle.

## CHINA, NATIONALIST

Mar. 21—Chiang Kai-shek is elected by the national assembly to a fourth 6-year term in the presidency.

Mar. 22—Premier C. K. Yen is elected vice-president by the national assembly.

## CHINA, PEOPLE'S REPUBLIC OF

Mar. 23—It is reported from Hong Kong that the Chinese Communists have refused a Soviet invitation to attend the 23d congress of the Soviet Communist Party March 29.

Mar. 29—An article distributed by *Hsinhua*, Chinese press agency, declares that normalization of relations with the U.S. is "out of the question." U.S. proposals for cultural exchanges are rebuffed.

## COLOMBIA

Mar. 22—With 2.2 million of some 2.6 million votes in the March 20 election counted, the National Front coalition is leading; it is made up of middle-of-the-road reform parties led by Carlos Lleras Restrepo.

## CONGO

Mar. 22—By decree, President Joseph D. Mobutu assumes all national legislative powers.

## CUBA

Mar. 10—Two former army majors are sentenced to 25 years in prison after their conviction for conspiring with the Central Intelligence Agency to assassinate Premier Fidel Castro. Castro has asked that the death sentence not be imposed.

Mar. 14—Castro charges that China is trying to provoke an open break with Cuba.

Mar. 17—Major Efigenio Almeijeiras, a member of Castro's original guerrilla band, is forced out as armed forces vice-minister, stripped of his military rank, and scheduled for court-martial on charges of "activities contrary to revolutionary morals."

## ECUADOR

Mar. 2—The military junta which has ruled since July, 1963, announces that general elections will be held in July.

Mar. 22—A general merchants' strike begins; it is protesting the rule of the junta and its attempt to raise import duties.

Mar. 24—Many labor unions join the general strike, partly in protest against rising prices.

Mar. 28—Students march against the junta after violent clashes between students and

the military in Quito and in Guayaquil.

Mar. 29—The 3-man junta is ousted by the military high command. Leaders of major political parties choose Clemente Yerovi Indaburo as provisional president.

Mar. 30—Yerovi is sworn in.

## EL SALVADOR

Mar. 14—Reports indicate that the Christian Democrats have won 3-to-1 in yesterday's municipal and congressional elections.

## ETHIOPIA

Mar. 25—Parliament approves Akilou Abte Wold as premier; he is the first premier in Ethiopia to name his own cabinet.

Mar. 31—Border fighting is resumed with Somali after a two-year pause.

## FINLAND

Mar. 22—In the 2-day parliamentary election of March 20-21, the moderate Social Democrats win 55 of the 200 seats in parliament, a gain of 17; the three leftist parties together win 103 seats. The Social Democrats, who have been excluded from the government since 1958 because of Soviet pressure, replace President Urho Kekkonen's Center Party as the largest party in parliament.

## FRANCE

(See also *Intl, NATO*)

Mar. 17—In the first official and public comment on France's decision to withdraw from the military organization of NATO, Foreign Minister Maurice Couve de Murville asserts that France continues to value U.S. friendship.

Mar. 31—The French government releases the official messages sent to all NATO members earlier this week establishing the deadlines for the steps to effect France's military withdrawal from NATO: its NATO troops are to be withdrawn from Germany and its staff from NATO headquarters by July, 1966; removal of NATO headquarters and of U. S. and Canadian troops and installations from France is requested by April 1, 1967.

## GERMANY, DEMOCRATIC REPUBLIC OF (East)

Mar. 1—Poland transmits to the U.N. an East German application for membership; the letter of application from President Walter Ulbricht suggests that West Germany also be admitted. (See also *Intl, U.N.*)

Mar. 26—Replying to a suggestion made by West Germany's Social Democrats, East Germany proposes that representatives of the West German Social Democrats and the East German Communists meet to exchange views at public rallies in East and West Germany.

## GERMANY, FEDERAL REPUBLIC OF (West)

Mar. 1—Minister of the Interior Paul Lücke reports that extreme right-wing activity rose in West Germany in 1965.

Mar. 17—It is revealed in Bonn that the government has approved an \$87.5-million credit guarantee to seven West German companies to help finance construction of a \$150-million steel mill in Communist China. A European industrial consortium, headed by West Germany's Demag A. G., will build the plant.

Mar. 21—In his last major address as chairman of the Christian Democratic Party, Konrad Adenauer, in a *volte-face*, states that "the Soviet Union has entered the ranks of those peoples in the world that want peace."

Mar. 23—At the closing session of the annual Christian Democratic Party convention, Chancellor Ludwig Erhard is elected to replace Konrad Adenauer as chairman. Rainer Barzel is elected as first deputy chairman of the party.

Mar. 25—The government offers to negotiate pacts with the U.S.S.R. and "any other East European state" renouncing the use of force to settle international disputes. German suggestions for reducing international tensions are sent to 115 nations.

Mar. 29—Chancellor Erhard asks Poland and Czechoslovakia to open discussions with

Bonn on issues now in dispute between them.

## GHANA

Mar. 2—The government orders all Soviet, Chinese Communist and East German teachers and technicians expelled from the country.

Mar. 3—The National Liberation Council asks for a \$50.4-million foreign loan to revive the country's economy and to pay for badly needed food.

Mar. 4—The U. S. extends diplomatic recognition to the new government.

Ghana breaks diplomatic relations with Guinea.

Mar. 7—The Government appeals to the United States for emergency food assistance.

Mar. 11—The National Liberation Council asks some Soviet teachers and technicians to remain in Ghana. The Soviet embassy concurs.

Mar. 28—Reports of Alex Quaison-Sackey's release from prison are confirmed; the former foreign minister was placed in "protective custody" March 2.

## GREAT BRITAIN

(See *United Kingdom*)

## GUATEMALA

Mar. 6—Presidential elections are held for the first time since 1958.

Mar. 10—Colonel Enrique Peralta Azurdia, head of the military junta that took over in March, 1963, is reported to have pledged to turn over control of the government next July to the winner in the presidential elections.

Mar. 14—Official returns indicate that Julio César Méndez Montenegro, candidate of the Revolutionary Party, has in effect been elected president.

## GUINEA

Mar. 2—Former Ghana President Kwame Nkrumah arrives in Guinea.

Mar. 3—President Sekou Touré announces Nkrumah will be considered "the head of

Guinea and secretary general of the Guinean Democratic Party."

Mar. 4—Guinea's Ambassador to Ethiopia, Abdoulaye Diallo, explains that Nkrumah has been given an honorary presidency.

## INDIA

Mar. 6—The government bans the Mizo National Front, which is demanding independence for a Mizo state.

Mar. 9—The Congress Working Committee, governing body of the Congress Party, directs the government to establish a Punjabi-speaking state within the Punjab. Currently both Hindi and Punjabi are spoken in the Punjab.

Mar. 14—Violent rioting spreads as a protest against the establishment of a Punjabi-speaking state.

Mar. 19—The defense ministry charges that the continuing Western arms embargo on India and Pakistan hinders Indian defense plans. (See also *U.S., Foreign Policy*, Mar. 2.)

Mar. 29—Prime Minister Indira Gandhi ends a 2-day visit to Washington; she speaks to the National Press Club and expresses sympathy for U.S. objectives in Vietnam.

## INDONESIA

Mar. 8—The Pantjasila Front, made up of 7 of the 8 legal political parties in Indonesia, asks President Sukarno to withdraw the ban on student organizations.

Mar. 12—It is reported from Singapore that Sukarno has yielded authority to Lieutenant General Suharto.

Issuing decrees in the name of Sukarno, Suharto formally bans the Indonesian Communist Party.

Mar. 14—Suharto tells the legal political parties to reject as members those who have belonged to the Communist Party; all members of the Communist Party and organizations affiliated with it are to report to their military commanders.

Mar. 16—Sukarno says he remains in control of the government.

Mar. 18—Suharto announces that 15 former cabinet ministers have been placed in pro-

tectionary custody, including Subandrio, former first deputy premier and foreign minister, and Chairul Saleh, third deputy premier. All public communication with Jakarta is blocked. Acting in Sukarno's name, Suharto names three new deputy premiers, including Adam Malik, who is now foreign minister.

Mar. 25—The Jakarta office of *Hsinhua*, Communist Chinese press agency, is officially closed by the Indonesian foreign ministry.

Mar. 27—Sukarno announces a new 30-minister cabinet, including anti-Communists Suharto as minister of defense, and the former defense minister, Abdul Haris Nasution. A six-man inner cabinet is also named, including Suharto and Malik.

Mar. 31—Marching students ask that a time limit be placed on Sukarno's rule.

## IRAQ

Mar. 29—It is reported that 12 top level army officers were dismissed, deported or retired two weeks ago because of a plot to overthrow the government. The officers were supporters of ex-Premier Taher Yahya.

## ISRAEL

Mar. 1—Abie S. Nathan, an unofficial peace emissary, returns after a peace mission to Egypt. (See also *Vatican*.)

Mar. 13—President Zalman Shazar leaves for a state visit to Nepal.

Mar. 23—Foreign Minister Abba Eban tells the *Knesset* (parliament) that the chances for peace between Israel and the Arab world are improving because Egypt's domination is declining.

## ITALY

Mar. 5—It is reported that 14 deputies of the Liberal, Social Democratic, Socialist and Communist parties will present a bill to parliament legalizing birth control.

Mar. 8—Premier Aldo Moro wins a vote of confidence from the senate.

Mar. 25—The Socialist Party votes for reunification with the Democratic Socialist Party, after an 18-year split.



## JAPAN

Mar. 5—The lower house of parliament passes the national budget of almost \$12 billion, an increase of 17.9 per cent over 1965.

Mar. 7—The Third U.S.-Japan Conference on Cultural and Educational Interchange ends with a mutual recommendation that exchange scholars spend more time in each other's countries.

Mar. 8—Formal debate on the 1960 mutual security treaty with the U.S. begins. The treaty can be abrogated in 1970.

Mar. 9—The first Japanese ambassador to South Korea since 1945, Shiroshichi Kimura, arrives in Seoul.

## KENYA

Mar. 13—Oginga Odinga's post as deputy president of the Kenya African National Union is abolished; shortly thereafter he forms an opposition party, the Kenya African Union.

Mar. 19—President Jomo Kenyatta bans a projected series of public meetings that were to be addressed by Odinga.

## LEBANON

Mar. 12—The government arrests leaders of the Muslim Brotherhood and Communist parties.

Mar. 30—The cabinet of Premier Rashid Karami resigns. The parliament has asked for a new cabinet composed of members of parliament.

## POLAND

Mar. 5—Premier Josef Cyrankiewicz declares that Stefan Cardinal Wyszyński and other clergy will not be allowed to travel abroad until they express a change of attitude toward his government.

## RHODESIA

Mar. 25—In a move to widen defense efforts, the government orders the registration of all men between the ages of 17 and 60 years.

Mar. 26—Prime Minister Ian Smith suggests that the country might find advantage in

declaring itself a republic—a move which would end Rhodesia's allegiance to the British crown.

## SOUTH AFRICA

Mar. 31—With 166 seats at stake, Prime Minister Hendrik Verwoerd's party gains in all sections of the country in parliamentary elections.

## SPAIN

Mar. 2—The U.S. officially acknowledges that an H-bomb has been missing for 44 days since a B-52 bomber accident over Spain; it also admits that 2 of the 3 bombs recovered released some radioactive material in Spain.

Mar. 11—Police forcibly enter a Barcelona monastery to disperse a student sit-in.

Mar. 15—The parliament approves a more relaxed press censorship law but administration controls on the press remain.

Mar. 17—The U.S. midgeet submarine Alvin finds the missing H-bomb in the Mediterranean five miles offshore of Palomares.

## SYRIA

Mar. 1—Formation of a 20-man cabinet is announced, headed by Premier Yussef Zayen.

Mar. 2—*Al Baath*, a Damascus newspaper controlled by the ruling junta, describes a new, leftist program for the cabinet.

Mar. 27—An official radio broadcast names the 16 new leaders of the ruling Baath party elected at a party congress that closed early today.

## TANZANIA

Mar. 14—President Julius Nyerere denies that his country is under Chinese Communist influence.

## TURKEY

Mar. 28—Critically ill President Cemal Gürsel, home after a hospital stay in the U.S., is declared physically incapable of holding office.

General Cevdet Sunay receives a large

majority vote in the national assembly to succeed Gursel as president for a seven year term.

## UGANDA

Mar. 2—Prime Minister Milton Obote formally assumes the powers of president and vice-president.

## U.S.S.R., THE

Mar. 1.—The unmanned Soviet spacecraft, Venus 3, crashes on the surface of Venus. This marks man's first physical contact with another planet.

Mar. 5—*Izvestia*, the official government newspaper, reports that the Soviet Communist Party will allow collective farmers to maintain private ownership of the farm plots which they develop in their free time.

*Tass*, the Soviet news agency, releases a statement saying that the Venus 3 spacecraft was sterilized to prevent any terrestrial bacteria being transported to Venus.

Mar. 6—Construction starts on a 4,000 mile railroad to run from Siberia to the Pacific coast.

Mar. 13—*Tass* candidly discloses the failures encountered by the Venus 2 and 3 spacecrafts.

Mar. 17—Cosmos 112, a satellite equipped with scientific instruments, is launched.

*Tass* announces that elections for the Supreme Soviet (parliament) will be held on June 12.

Mar. 18—Scientists report that the two Cosmos 110 space dogs show no ill effects even though they flew through the radiation belts encircling the earth.

Mar. 21—Cosmos 113 is launched; it is apparently unmanned.

The chairman of the presidium of the Supreme Soviet of Armenia, Nagush Arutyunyan, suggests that government elections should offer more than one person for each office to make elections more meaningful.

Mar. 29—First Secretary Leonid Brezhnev gives the opening speech at the first session of the 23d Soviet Communist Party Congress.

Mar. 31—Luna 10 is launched, aimed at an orbit around the moon.

## UNITED KINGDOM

### Great Britain

Mar. 1—The government declares that in 1971 Britain will adopt a decimal system of currency, dividing the pound into 100 units.

Mar. 10—Parliament is dissolved, opening three weeks of national campaigning for the national elections March 31.

Mar. 12—Prime Minister Harold Wilson asks Rhodesian Prime Minister Ian Smith to consent to a "new Commonwealth initiative" aimed at peaceful resolution of the Rhodesian independence issue.

Mar. 22—The Archbishop of Canterbury arrives in Rome to meet Pope Paul VI. (See also *Vatican*.)

Mar. 31—Parliamentary elections are held; a clear-cut victory for Harold Wilson's Labour Party is indicated.

## UNITED STATES, THE

### Civil Rights

Mar. 4—James E. Wilson, Catholic Worker Movement member who burned his draft card publicly last November, is given a 2-year suspended sentence.

The Department of Justice asks the Subversive Activities Control Board to order the W. E. DuBois Clubs to register as a Communist-front organization.

Mar. 7—U.S. Commissioner of Education Harold Howe 2d announces that the Office of Education will require desegregated teaching staffs next fall in southern school districts receiving federal funds.

Mar. 11—The U.S. Court of Appeals for the Fifth Circuit invalidates the 1965 municipal elections of Sunflower, Mississippi, because Negro voters were excluded from the polls.

Mar. 15—Pacifist Yale Professor Staughton Lynd sues the U.S. Secretary of State for reinstatement of his passport, canceled after Lynd's unauthorized visit of December, 1965, to North Vietnam.

Teenagers riot in Watts, a Negro section

of Los Angeles, California; 2 are killed; 25 are injured.

Mar. 22—The Justice Department files a lawsuit under Title V of the Voting Rights Act of 1965 against Bullock County, Alabama, to prohibit Alabama from extending the terms of white officials in that county.

Mar. 24—In a case against Sharkey County, Mississippi, the Justice Department moves to invalidate state laws that exclude Negroes from jury duty.

Mar. 28—The Federal Bureau of Investigation arrests 13 members of the White Knights of the Ku Klux Klan for the January 10 slaying of Vernon Dahmer, a Negro civil rights leader, in Hattiesburg, Mississippi.

### Economy, The

Mar. 8—The Treasury announces that dimes and half dollars with a silver content of only 40 per cent will go into circulation this week.

The President asks Congress for "bold new approaches" to avoid a manpower shortage; the Department of Labor announces that the unemployment rate fell in February to 3.7, the lowest since November, 1953.

Mar. 10—Major banks across the country raise their short-term business loan rate from 5 to 5.5 per cent.

Mar. 18—At the President's request, the R. J. Reynolds Tobacco Company rescinds a projected cigarette price rise; Liggett and Myers Tobacco Company says its price rise will stand.

Mar. 21—The President asks Congress for legislation increasing federal protection for consumers.

Mar. 29—The Bureau of Labor Statistics announces the largest increase in the Consumer Price Index since summer, 1965, a rise of 0.5 per cent, mostly due to higher food prices.

### Foreign Policy

Mar. 1—Congress passes the \$4.8-billion military authorization bill which will provide additional funds to meet the costs of the

Vietnam war. The Senate rejects (92-5) Senator Wayne Morse's amendment calling for repeal of the 1964 Gulf of Tonkin resolution which gave the President wide discretionary powers to act in the Far East.

Mar. 2—The State Department confirms the fact that the U.S. is resuming sale of "non-lethal" military supplies to India and Pakistan.

Mar. 3—The administration announces its intentions to step-up its birth control expenditures abroad.

The State Department announces its plans to pay for damages sustained by Spain in the crash between a B-52 and a tanker over Spain. (See also *Spain*.)

In a formal statement before the Senate Foreign Relations Committee, Secretary of Defense Robert McNamara states that Communist China "has no reason to fear military action" by the U.S. as a consequence of U.S. action in Vietnam.

Mar. 4—In his first significant break with the administration, General Maxwell Taylor proposes the mining of Haiphong, North Vietnam's major harbor.

Mar. 6—Ending three days of consultation with British officials, U. N. Ambassador Arthur Goldberg says that the U.S. and Britain have "rather merged our ideas" on Vietnam and U.N. difficulties.

Mar. 7—U.S. Ambassador to South Korea Winthrop Brown delivers a note to that government pledging additional U.S. economic and military aid.

In a statement before the Joint Congressional Committee on Atomic Energy, supporting a nonproliferation agreement, Secretary of Defense Robert McNamara states that Communist China will be capable of launching a nuclear attack within a 700-mile range in two or three years.

Mar. 8—The Senate Foreign Relations Committee's hearings on United States policy toward China open. Professor A. Doak Barnett of Columbia University is the first witness.

President Johnson rejects President de Gaulle's bid for a bilateral approach to collective security.

Mar. 9—The State Department presents a legal brief to the Senate Foreign Relations Committee defending the U.S. presence in Vietnam.

It is reported in Washington that President Johnson has quietly authorized the State Department to allow U.S. scholars to visit Communist China.

Mar. 11—In a speech before the National Press Club, Vice-President Hubert Humphrey rules out U.S. support of a political role for the Vietcong prior to elections in Vietnam.

Mar. 12—The governors of 41 states issue a resolution stating that "the policies [in Vietnam] being followed by the President . . . [are] sound and the only rational policies to be followed under the circumstances."

Mar. 14—U.S. officials reveal that the U.S. and Communist Chinese ambassadors to Poland are to meet in Warsaw.

A civilian task force headed by Secretary of Health, Education and Welfare John Gardner arrives in Saigon to study the economic, social and political climate of Vietnam.

Mar. 17—Secretary of State Dean Rusk tells the House Foreign Affairs Committee that the U.S. was not involved in the ouster of South Vietnam's Lieutenant General Nguyen Chanh Thi.

Mar. 18—Complying with the U.N. Security Council's resolution calling for sanctions against Rhodesia, the U.S. Commerce Department announces that exporters are forbidden to send to Rhodesia any commodities which would be useful to its economy.

Mar. 19—The U.S. and the Soviet Union sign a new cultural, scientific, educational and technical exchange pact, to extend to 1967.

It is disclosed today that the U.S. has placed conditions on its food aid to Egypt; in return for food from the U.S., Egypt is to reduce its cotton production, a commodity which is exchanged with the Soviet Union in return for arms.

198 scholars of Asian affairs sign a document declaring that ". . . the United States [must] move the Chinese to a greater

acceptance of the principles of coexistence in the emerging world community."

Mar. 20—Dean Rusk speaks out against the West German plan to extend credit for construction of a steel mill in Communist China. Informed several weeks ago of the project, the State Department has until today assumed a neutral position.

Mar. 21—The White House announces that U.S. Ambassador to the Dominican Republic W. Tapley Bennett will become the ambassador to Portugal, replacing George W. Anderson, Jr.

The United States and South Vietnam sign a \$52,310,000 agricultural pact.

Mar. 22—The President announces that he is naming Robert Komer as his special assistant for "peaceful reconstruction in Vietnam." He also reports that he will send Komer, Press Secretary Bill Moyers and Deputy Secretary of Defense Cyrus Vance to Vietnam to continue a study of Vietnam's needs.

President Johnson writes de Gaulle reiterating the administration's firm support for NATO and the Alliance's military integration.

The State Department reports that it plans to ask West Germany and other European countries to examine the advisability of allowing a European industrial consortium to sell a \$150-million steel mill to Communist China.

Mar. 23—In a speech to the Foreign Service Institute, President Johnson reports that the United States, "with 13 of her other allies," will continue without France "to preserve and to strengthen" NATO.

Mar. 30—Following meetings with India's Prime Minister Gandhi, President Johnson asks Congress to approve a \$1-billion famine relief program for India. (See also *India*.)

## Government

Mar. 1—The President sends Congress his message on health and education, suggesting a broader federal program of health care and expansion of federal aid for education.

Mar. 2—The President asks Congress to set

up a cabinet-level department of transportation; he urges a \$725-million, 6-year highway safety program including federal safety standards for new cars and trucks.

Mar. 4—President Johnson names Secretary of State Rusk as "director" of all overseas operations that affect 2 or more government departments.

Mar. 7—The White House announces that the resignation of State Department official Abba Schwartz has been accepted; Schwartz, head of the Bureau of Security and Consular Affairs and an advocate of liberalized immigration and visa policies, was informed March 4 that reorganization of the State Department would eliminate his bureau.

Mar. 8—Elmer B. Staats is sworn in as Controller General of the U.S.

The Food and Drug Administration acts to prevent the manufacture of hundreds of antibiotic non-prescription throat lozenges, saying there is no proof of their efficacy.

Mar. 9—It is reported from Washington that the Office of Economic Opportunity is issuing new morality and loyalty requirements as guidelines for hiring antipoverty workers for community action programs.

Mar. 15—Joseph Palmer is named to succeed G. Mennen Williams as assistant secretary of state for African affairs.

The President signs a \$4.8-billion supplemental defense authorization bill.

President Johnson signs a bill providing for a \$6-billion tax increase; excise taxes on automobiles and telephone service are increased; withholding rates on personal income are to be graduated at rates reaching 30 per cent; collections of corporation taxes are to be accelerated.

Mar. 16—The President signs the bill authorizing American participation in the Asian Development Bank; he announces that the U.S. will give half of the \$24.1 million needed for construction of a Mekong River project in Laos.

Mar. 18—James L. Goddard, Food and Drug Administration Commissioner, says that all drugs approved by his office prior to 1962

will be rescreened for effectiveness; some 3,000 compounds will be involved.

The President signs a \$415-million foreign aid bill for Vietnam and other trouble areas, particularly Laos, Thailand and the Dominican Republic.

Mar. 22—The president of General Motors Corporation, James M. Roche, apologizes before Senator Abraham Ribicoff's congressional subcommittee on traffic safety for the General Motors' investigation into Ralph Nader's private life. Nader wrote a book criticizing the auto industry for producing unsafe cars.

Mar. 25—Secretary of the Interior Stewart Udall announces the lifting of federal controls on imports of heavy fuel oil, in a major revision of the 10-year-old residual fuel oil program.

The first money bill of the 1966 Congress, a \$13,135,719,000 emergency defense appropriation, is signed by President Johnson.

Mar. 28—The President signs a bill discontinuing the U.S. postal savings system.

Mar. 29—The Department of Health, Education and Welfare publishes new permissible limits for carbon monoxide and hydrocarbon exhaust fumes which will be required for 1968 car and light truck models.

Mar. 31—The President names Robert Kintner, formerly chief of the National Broadcasting Company, and state department official Walt W. Rostow as special assistants.

The President asks all Americans to exercise restraint in spending because "prices are moving up too fast for comfort."

## Labor

Mar. 15—President of the A.F.L.-C.I.O. George Meany supports eight unions in their demands for wage increases at General Electric and Westinghouse, although these demands exceed the administration's wage guidelines.

Mar. 18—Louis Stulberg is elected to succeed David Dubinsky as president of the International Ladies' Garment Workers Union; Dubinsky resigned yesterday after 24 years in office.



Mar. 23—The national policy committee of the United Mine Workers authorizes its officers to strike "if necessary" for a new soft coal contract.

Mar. 31—Eight major railroads are crippled when the firemen's union strikes; a federal court order for a suspension of the strike will be appealed by union lawyers.

## **Military**

Mar. 2—Secretary of Defense McNamara tells a news conference that the U.S. now has 215,000 military personnel in Vietnam, with 20,000 additional men en route to the area. This figure does not include some 50,000 men with the Seventh Fleet.

Mar. 7—Secretary of the Navy Paul Nitze discloses plans for a comprehensive reorganization of the Navy Department.

Mar. 16—Gemini 8 astronauts Neil Armstrong and Major David Scott land safely after losing maneuverability of their spacecraft during docking operations in space. The Gemini 8 was launched early today from Cape Kennedy.

Mar. 19—The National Aeronautics and Space Administration discloses that a short circuit in the wiring of a maneuvering rocket probably caused the Gemini 8 mission failure.

Mar. 20—The Washington Center of Foreign Policy Research discloses results of a study made for the Arms Control and Disarmament Agency: it will be easier to verify a halt in production of fissionable materials for nuclear weapons than formerly supposed.

Mar. 24—The Selective Service System releases new criteria for deferment of college students under the 2-S classification: qualification tests and class standing are to guide draft boards in granting student deferments.

Mar. 29—The Defense Department reveals that 4 of the army's 6 emergency combat divisions in the continental U.S. are not up to combat-ready status.

## **Politics**

Mar. 5—Ray C. Bliss, Republican national

chairman, declares that Democratic dissension over the administration's Vietnam policy, plus the threat of inflation, are improving Republican election prospects.

Mar. 7—Former Michigan Governor G. Mennen Williams submits his resignation as assistant secretary of state for African affairs to run for the U.S. Senate.

Mar. 11—Ray Bliss agrees to appoint a Negro as a high-level staff member of the Republican national committee.

## **Supreme Court**

Mar. 7—Major provisions of the Voting Rights Act of 1965 are upheld by the Supreme Court.

Mar. 21—Voting 5-4, the Court upholds two obscenity convictions and rules that "titillating" advertising can be used as proof that the material advertised is obscene. A Massachusetts ruling that the novel, "Fanny Hill," is obscene is reversed.

Mar. 23—The Court rules that a company's sale of the same product at two different prices can constitute a violation of the anti-trust laws.

Mar. 25—The Court rules 6-3 that the Virginia poll tax is unconstitutional; all poll taxes are thus contravened.

Mar. 28—The Court rules that the Justice Department may try suspects involved in the 1964 slayings of three civil rights workers in Mississippi and of a Negro educator in Georgia under the charge of violation of citizens' constitutional rights. The Court also declares that the federal government may punish persons for interfering with an individual's right to travel from state to state.

## **VATICAN, THE**

Mar. 7—Pope Paul VI announces the names of 16 prelates appointed to a Vatican commission of clergymen and laymen to study the birth control issue. Alfredo Cardinal Octaviani will be commission president.

Mar. 16—The Pope meets with the Israeli "peace pilot," Abie Nathan, and pledges to help bring the Arabs and Israelis toward peace. (See also *Israel*.)

Mar. 18—The Vatican announces relaxed rules on intermarriage. The document states that the rule of excommunication resulting from intermarriage will be abrogated.

Mar. 24—Pope Paul VI and Arthur Michael Ramsey, Archbishop of Canterbury sign a joint declaration pledging their desire to establish a permanent "serious dialogue" to study the possibilities for reunion of the Roman Catholic and Anglican Churches, after a historic two-day meeting.

### VENEZUELA

Mar. 15—The cabinet of President Raul Leoni resigns after a split in the governing 3-party coalition.

Mra. 24—Leoni swears in a new cabinet; independents replace the Democratic Front members whose party has left the coalition.

### VIETNAM, DEMOCRATIC REPUBLIC OF (North)

Mar. 24—A Vietnamese spokesman announces that North Vietnam will send a delegation to the 23d congress of the Soviet Communist Party.

Mar. 31—President Ho Chi Minh appeals for Communist bloc unity, in a letter of greeting to the Soviet 23d Party Congress.

### VIETNAM, REPUBLIC OF (South)

Mar. 2—A U.S. military spokesman in Saigon discloses that in the first 2 months of fighting in 1966 there were 4,300 U.S. killed and wounded, and some 7,000 Vietcong deaths.

Mar. 4—U.S. bomber planes strike deeply in North Vietnam to within 40 miles of the Chinese border. It is reported that the northwest rail line to China has been damaged.

Mar. 10—The ruling National Leadership Committee votes to remove Lieutenant General Nguyen Chanh Thi as commander of the I Corps area. He is also dismissed from the 10-man National Leadership Committee.

Mar. 12—Thich Tam Chau, head of the Buddhist Institute of Secular Affairs, reads a statement drawn up by Saigon's Buddhists criticizing the government of Premier Nguyen Cao Ky and demanding elections for a civilian government.

Mar. 16—The Unified Buddhist Church holds a rally in Saigon to urge that the ruling military junta be replaced.

Mar. 17—Arriving in Hue, General Thi is acclaimed by some 20,000 supporters. He appeals for national unity, urging his followers to "think of the group."

Mar. 19—At a rally, Thich Tam Chau, a Buddhist leader, declares that the Buddhists "have no essential differences with the present junta" and are grateful to Premier Ky for restoring stability.

Mar. 25—Premier Ky announces that a constitution will be presented within 2 months. In addition, he agrees to broaden the base of the constitution-drafting committee. He promises that elections will be held "as soon as possible" after the constitution is approved in a referendum.

Mar. 26—In Hue, some 20,000 persons stage a protest march against the Ky government.

Mar. 29—Spokesmen for the Roman Catholic minority demand an orderly return to civilian government.

Mar. 31—At a rally in downtown Saigon, Buddhist student leaders criticize the government and the U.S.

### ZAMBIA

Mar. 19—President Kenneth Kaunda asks U.S. support against Rhodesia; he suggests that the U.S. should demand mandatory sanctions against Rhodesia under the U.N. charter.

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ERRATUM: On page 31 of the January, 1966, issue of *Current History*, Jamaican Prime Minister Bustamante's political party should have been given as the Jamaica Labor Party. We regret the error.

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